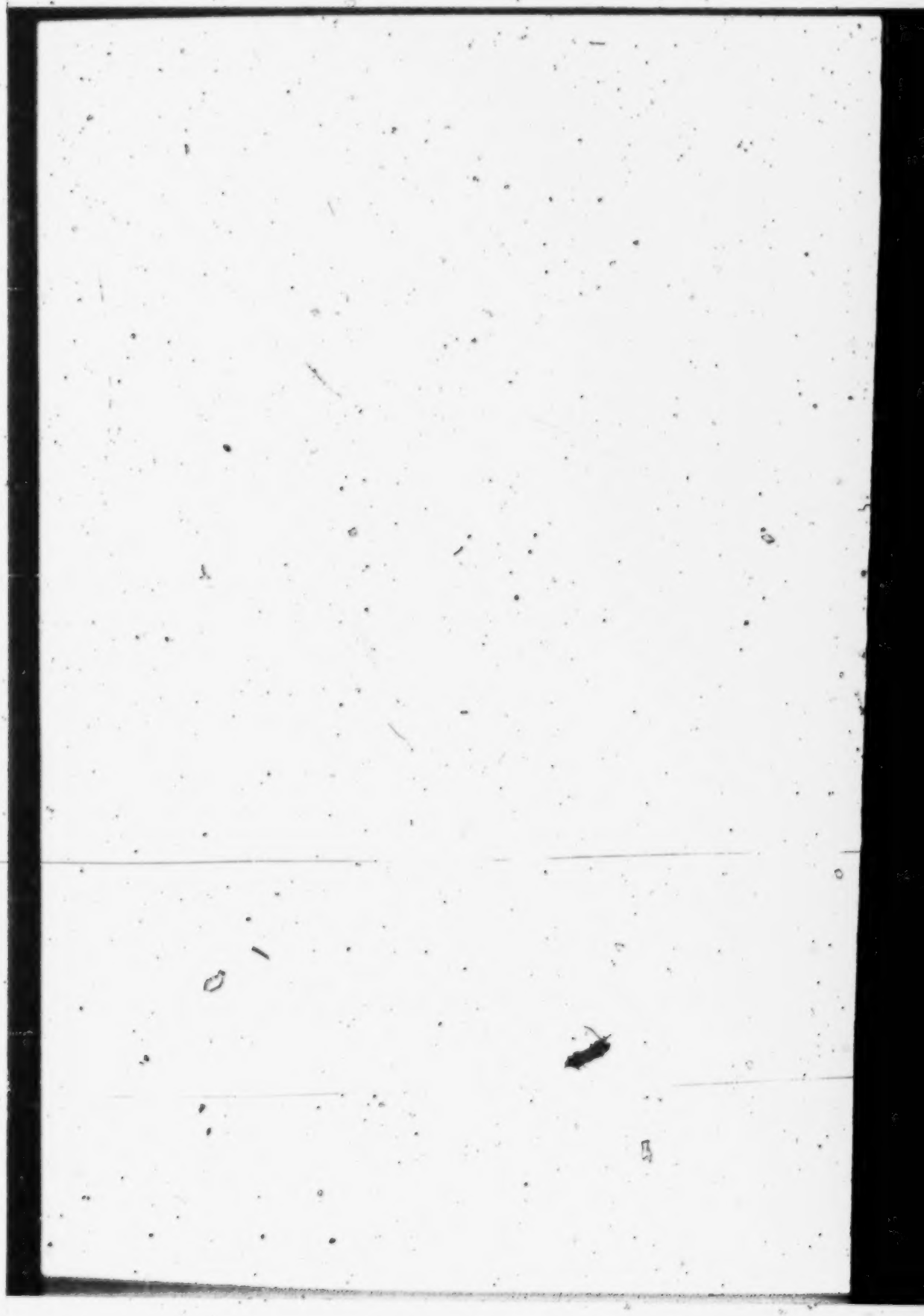


SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1934

No. 585

MRS. OSCAR C. DOTY ET AL., APPELLANTS,

vs.

J. S. LOVE, SUPERINTENDENT OF BANKS OF THE STATE OF MISSISSIPPI

APPEAL FROM THE SUPREME COURT OF THE STATE OF MISSISSIPPI

INDEX.

	Original	Print
Proceedings in Supreme Court of Mississippi	A	1
Caption (omitted in printing)	A	
Præcipe for transcript of record (omitted in printing)	1	
Record from Chancery Court of Lee County	4	1
Petition	4	1
Exhibit 1—Condensed statement of Peoples Bank & Trust Co., December 24, 1930	23	14
Exhibit 2—Depositors agreement	24	15
Exhibit 3—Statement of Peoples Bank & Trust Co., May 1, 1933	28	17
Exhibit 4—Statement as of date of re-opening of Peoples Bank & Trust Co.	30	18
Exhibit 5—Statement of Peoples Bank & Trust Co. as of date of re-opening	31	19
Exhibit 6—Consolidated statement of Peoples Bank & Trust Co.	32	20
Decree fixing time and place of hearing	33	22
Notice to depositors, creditors, and other parties in interest and proof of publication	35	23
Objections of Mrs. Oscar C. Doty and J. S. Wesson	37	25
Petition and objections of Mrs. Nannie McCarty (omitted in printing)	48	

JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., FEBRUARY 12, 1935.

—5965

	Original	Print
Motion of Mrs. Nannie McCarty for leave to become party objector (omitted in printing)	51	
Petition of depositors committee relative to re-opening	52	33
Answer, objections, etc., of Mrs. Oscar C. Doty et al	56	35
Decree authorizing re-opening of bank	68	44
Statement of furniture and fixtures accrued in new bank (omitted in printing)	93	
Statement of real estate (omitted in printing)	94	
Statement of bank buildings	95	64
Statement of furniture and fixtures	96	64
Statement of real estate	97	65
Statement of bank buildings	98	65
Appraisal of loans and discounts	100	66
Statement of earnings and expenses	101	67
Statement of evidence	102	68
Appearances and agreement as to hearing	102	68
Order sustaining motion for consolidation (omitted in printing)	104	
Motion for order requiring petitioner to make his pleadings more specific (omitted in printing)	105	
Agreements as to certain facts (omitted in printing)	109	
Renewal of motion to make more specific (omitted in printing)	111	
Colloquy (omitted in printing)	112	
Testimony of V. S. Whitesides	117	68
G. C. Mabry (omitted in printing)	146	
C. H. Dabbs (omitted in printing)	152	
V. S. Whitesides (recalled)	155	90
A. C. Powell	165	98
J. N. Whitesides (omitted in printing)	170	
Opinion of court	174	101
Petition of Mrs. Lorene R. Tolman for leave to join in appeal (omitted in printing)	175	
Petition and motion for substitution of lost record (omitted in printing)	178	
Assignment of errors in behalf of Mrs. O. C. Doty and Mrs. Lorene Roberts Tolman	183	101
Assignment of errors in behalf of Mrs. Nannie McCarty	186	104
Assignment of errors in behalf of appellant (Mrs. Birdie Lowry Dunn, nee McCord)	188	105
Amended assignment of errors in behalf of appellant	190	106
Order granting motion for permission to amend assignment of errors (omitted in printing)	192	
Motion of appellant, Mrs. Birdie Lowry Dunn, to dismiss her appeal (omitted in printing)	193	
Order sustaining motion to dismiss appeal of appellant, Mrs. Birdie Lowry Dunn	194	107
Order remanding cause to docket before Division "A" (omitted in printing)	195	
Decree	196	107

	Original	Print
Opinion, Griffith, J.	197	108
Dissenting Opion, Ethridge, J.	208	116
Motion for addditional time in which to file suggestion of error (omitted in printing)	226	
Order granitng fifteen days additional time within which to file suggestion of errors (omitted in printing)	227	
Suggestion of errors by appellants... (omitted in printing)	228	
Order overruling suggestion of error (omitted in printing)	232	
Citation and service... (omitted in printing)	233	
Petition for appeal	235	129
Letters of administration, estate of Mrs. Nannie McCarty, deceased (omitted in printing)	247	
Decree of chancellor granting petition for letters of administration (omitted in printing)	249	
Assignment of errors in supreme court of Mississippi	251	130
Appeal bond (omitted in printing)	253	
Order granting appeal to United States Supreme Court	255	132
Appellee's praecipe for transcript of record (omitted in printing)	285	
Record from Chancery Court of Lee County	287	133
Supplement to petition for reopening of Peoples Bank & Trust Co.:		
List of loans and discounts carried in reopened bank	287	133
List of loans and discounts securing pooled assets	302	145
Live stock account carried in pooled assets; automobile account carried in pooled assets and list of property carried in tax title account included in pooled assets	314	157
Cash items carried in pooled assets	315	158
Bond account	316	158
List of bonds held by Peoples Bank & Trust Company in which an equity is held for pooled assets.	317	159
List of overdrafts carried in reopened bank	320	163
List of stock held by reopened bank in which there is an equity due pooled assets	321	163
List of furniture and fixtures of reopened bank in which there is an equity in pooled assets	322	163
Real estate held by reopened bank in which there is an equity due pooled assets	323	163
Information as to overdrafts in Peoples Bank & Trust Company at time of closing	330	
Clerk's certificate (omitted in printing)	331	
Statement of points to be relied upon and designation as to printing record	332	167
Designation by appellee of additional parts of record to be printed	336	170

[fols. a-3] [Caption omitted]

[fol. 4]

IN CHANCERY COURT OF LEE COUNTY, STATE OF MISSISSIPPI

No. 6583

In the Matter of the Liquidation of Peoples Bank & Trust Company, of Tupelo, Mississippi, by J. S. Love, Superintendent of Banks

Petition

To the Honorable James A. Finley, Chancellor of the First Chancery District of Mississippi:

Now comes J. S. Love, Superintendent of Banks of the State of Mississippi, in charge of the liquidation of the Peoples Bank & Trust Company, of Tupelo, Mississippi, and would respectfully show unto the court as follows:

That the Peoples Bank & Trust Company aforesaid was closed for liquidation on the 24th day of December, 1930, and its affairs were turned over to petitioner for liquida-
[fol. 5] tion in his official capacity according to the banking laws of this State, and petitioner has been engaged in the liquidation of the affairs of said bank since that time, under the supervision of this court. That no dividends have been paid to the depositors and common creditors of said bank, but that all bills payable due by said bank have been paid, and all deposits of public money have been paid, and all claims which have been established as preferred claims have been paid.

I

Petitioner respectfully shows that since the closing of said Peoples Bank & Trust Company aforesaid, some of its directors, and stockholders, acting in conjunction with petitioner, his agents and assistants, and also with the Depositors' Committee of said bank, have made earnest efforts to rehabilitate the affairs of said bank so as to put it in a good, solvent condition, and enable it to re-open for business as a going concern, and petitioner feels that their

efforts in this direction have been successful, and that the affairs of said bank are now in such shape as to justify it to be re-opened for business as a going concern, as will be hereinafter shown.

That there is attached hereto as "Exhibit 1" a financial statement of the Peoples Bank & Trust Company as of date of its closing on December 24th, 1930, showing the total assets and liabilities to be $2,477,114.78.

Petitioner would further show that since said bank was closed for liquidation the bills payable of said bank, amounting to $427,500.00, principal sum; rediscounts, amounting to [fol. 6] $30,000.00, principal sum; making a total of $457,500.00, principal sum, together with the interest accrued thereon, and also all charges for expenses of collection by the correspondent banks holding same, have been paid, and the said Peoples Bank & Trust Company now owes no outstanding bills payable, nor is indebted for rediscounts. Petitioner would further show that at the time of the closing of the bank for liquidation there was on deposit in said bank for public moneys, which are preferred claims under this statute, approximately $200,000.00, and that these public moneys have been paid. Petitioner would further show that there are outstanding no preferred claims against said bank, except the claim of J. C. Williams Lumber Company and Vina Banking Company, which has been adjudged by the Chancery Court of Lee County to be a preference for the sum of $2,631.02, but appeal from which order is being prosecuted to the Supreme Court of Mississippi. That there are no other adjudged preferred claims, but that petitions for preference are on file which have not been determined by the court, and which in the judgment of petitioner are not preferred claims, and the total amount of which will not exceed $2,000.00.

II

Petitioner respectfully shows that the officers and directors and stockholders of Peoples Bank & Trust Company have agreed with the depositors on a plan for the re-opening of Peoples Bank & Trust Company as outlined in the Depositors Agreement, copy of which is hereto attached marked "Exhibit 2" and asked to be taken and considered as a part thereof.

[fol. 7] That said Depositors Agreement has been largely signed by depositors and creditors of Peoples Bank & Trust Company having deposits in and claims against Peoples Bank & Trust Company in excess of 75 per cent of the amount of deposits and claims against said bank (there being no deposits for public money) who have agreed to reduce the balance due them on their deposits to 25 per cent of the amount of such balances now outstanding to their credit, to be a charge against the reopened bank, and to be paid as follows:

(a) 5 per cent of the original amount (or 20 per cent of the depreciated amount) as of date of opening.

(b) Balance to be paid in installments whenever collections have been made from the assets taken over from the closed bank shall equal 5 per cent of the present outstanding deposits. All deferred payments are to be without interest.

The remaining 75 per cent of the balances of said deposit and claims is to be charged against said balances and is to be set up as special accounts, which are not to be obligations of the re-opened bank but are to participate pro rata in the distribution of certain assets designated as "pool assets" as collected, as hereinafter set forth. That the margin created by the charging out of the 75 per cent of the balances of deposits is to permit the Superintendent of Banks and the Directors of the Peoples Bank & Trust Company, with the approval of this court, to charge out of the assets of the bank loans and discounts and other items that are considered as uncollectible and of doubtful value at this time, with the understanding that the assets so charged out will be carried in a special account by the bank, under the jurisdiction of the Chancery Court of Lee County, Mississippi, and collected pro rata for the benefit of the depositors and creditors whose deposits and claims have been depreciated in accordance with the terms of the freezing agreement signed by the depositors and creditors. [fol. 8] That under the terms of said freezing agreement Peoples Bank & Trust Company undertakes to complete the liquidation of such assets charged out of said bank and known as the "pool assets," under the jurisdiction of the Chancery Court of Lee County, Mississippi, as a trust fund,

and subject to the supervision of the Superintendent of Banks, and to receive for the handling and collection of same 10 per cent of the amount which it collects, plus any attorney's fees and court costs incurred.

Petitioner further shows that there is a general law, passed by the 1932 Legislature of Mississippi, to enable closed banks to reopen for business, which provides that when three-fourths in number of the general depositors and creditors of such closed banks, or any number of general depositors and creditors therein, owning at least three-fourths of the deposits in or claims against such closed bank, agree to the re-opening of such bank and sign what is commonly termed a "freezing-of-deposits agreement," and the Superintendentof Banks feels that such closed bank is solvent under the terms of the reopening plan, and can operate with safety to the depositors and the public, and the Chancery Court of the County where the closed bank is situated, or the Chancellor in vacation, approves the plan for the reopening of such bank, the Superintendent of Banks may reopen the same, with the authority and approval of the Chancery Court under which said bank in liquidation is being administered, or the chancellor thereof in vacation.

Such Act further provides that the deposits of those depositors, who have not signed the freezing-of-deposits agreement, shall be paid to them at the same rate and at the same time as the deposits of the depositors who have signed the freezing agreement; and likewise that the same rule shall apply to the other common and unsecured credi-
[fol. 9] tors of the bank.

The Act further provides that if general depositors and creditors of such closed bank holding three-fourths of the deposits and claims in amount, agree to the reduction of their deposits and claims, the depositors and creditors who do not sign the freezing-of-deposits agreement and agree to the reduction of the amount thereof, shall have their deposits and claims reduced and frozen the same as those depositors and creditors who have signed the reduction and freezing-of-deposits agreement.

Petitioner would show to the court that general depositors and creditors having deposits and claims amounting to in excess of three-fourths of the amount of the general deposits and unsecured claims against said bank, have

signed the freezing-of-deposits agreement above referred to, and that therefore it is proper in this case under the law, for those depositors and creditors who have not signed the freezing-of-deposits agreement to have their deposits and claims reduced and frozen in accordance with the terms of the agreement, copy of which is hereto attached as "Exhibit 2."

That this Act further provides that the assets of the closed bank to which the general depositors and common creditors have a right to look for the payment of their claims shall not be diminished in any plan for the reopening of such bank, and that any assets that are charged out of the active assets of the bank shall be held by the bank in a special account to be collected and paid to all depositors and creditors on a pro rata basis, and petitioner respectfully shows that the plan for the re-opening of Peoples Bank & Trust Company contemplates, as aforesaid, that all assets charged out shall be held by the bank in a special [fol. 10] account to be collected for the use and benefit of all the depositors and creditors of the bank, and to be distributed pro rata to them.

That under said freezing agreement the remaining 75 per cent of balances now shown to the credit of depositors and creditors of Peoples Bank & Trust Company should be charged to said balances and placed in a special account to be handled as follows:

That the Superintendent of Banks is to make an examination of the bank and such assets of the bank as he may determine to be uncollectible at the present, and not proper to be carried in the reopened bank, are to be charged out of the bank and carried in a special account, or fund, to be managed and collected by the bank for the benefit of the depositors and creditors pro rata under such plan as may be approved by the Superintendent of Banks, the court and the directors of Peoples Bank & Trust Company, with the further understanding that such special fund, or account, and the assets from which it is derived, is to be administered under the jurisdiction of the Chancery Court of Lee County, Mississippi, as a trust fund subject to the supervision of the Superintendent of Banks. That this examination has been made, and the Superintendent of Banks is ready to complete said arrangement upon the reopening of the bank for business.

Petitioner would further show to the Court that in addition to the fact that the general depositors and creditors of the bank, holding more than three-fourths of the amount due by said bank for such deposits and claims, have agreed upon the plan for reopening the bank and have signed the freezing-of-deposits agreement; that they have likewise signed with said depositors agreement a petition to the Chancery Court of Lee County and to the Superintendent of Banks, asking that said bank be re-opened for business [fol. 11] according to said agreement, which petition appears on the back of the agreement signed by the depositors and creditors,

Petitioner would further show to the court that not only has said plan for reopening been approved by the general depositors and creditors holding more than three-fourths in interest in the deposits in and claims against said bank, but further that the plan for the re-opening of said bank is to the best interest of all the depositors and creditors of said bank, and in the judgment of petitioner more will be realized by said depositors and creditors by the re-opening of said bank according to said plan than would be realized by them by the continuation of the bank in liquidation. That said bank has been in liquidation for more than two years and four months, and the assets of said bank which were more readily to be collected have been realized upon, and that if the liquidation continues the relative cost of collection thereof will be increased without any compensating benefits from earnings that might be had from the operation of the bank. That the entire matter of the liquidation of Peoples Bank & Trust Company is now in the hands of the Chancery Court of Lee County, Mississippi, and is in virtual receivership; that the assets of said bank which are now in liquidation are being administered by the Chancery Court of Lee County, Mississippi, for the benefit of all depositors and creditors, and their interests in said assets are subject to the action of this court, and the only resource to which said depositors and creditors may look for the collection of their deposits and claims against said bank is from the assets of said bank, all of which are now under the jurisdiction of this court. Petitioner alleges that the interests of all depositors and creditors will be promoted by the reopening of the bank, according to the plan as set out in this petition, and offers

to make proof that such plan is for the best interest of all [fol. 12] parties, depositors, and creditors, and alleges that should the Court be satisfied that such plan is to the best interest of all depositors and creditors that it should, as acting for the depositors and creditors of said bank, authorize the reopening of said bank, according to the plans herein set out, and that the court has power so to do, as being to the best interest of all depositors and creditors, and bind them by the decree authorizing same.

III

Petitioner would show that in pursuance of the Depositors' Agreement, and for the purpose of re-opening said Peoples Bank & Trust Company, the Superintendent of Banks in connection with the directors of the Peoples Bank & Trust Company, have agreed upon the following plan for the consummation of the freezing agreement and re-opening of the Peoples Bank & Trust Company:

1. That a statement of the financial condition of the Peoples Bank & Trust Company of date of May 1st, 1933, as reflected by the books of the bank in liquidation, is hereto attached as "Exhibit 3", and asked to be taken and considered as a part of this petition.

2. That in accordance with the Depositors' Agreement, the Superintendent of Banks has made an examination of the assets of said bank in order to determine such of same as are uncollectible at present, and should be charged out of the bank and carried in a Special Fund, and in agreement with the Board of Directors of the bank, they have determined that certain assets of the bank should be charged out and carried in such Special Fund, statement of which is hereto attached as "Exhibit 4", and asked to [fol. 13] be taken and considered as a part hereof.

IV

Petitioner would respectfully show that when the Peoples Bank & Trust Company was closed for liquidation the statement showed capital stock of $200,000.00 and surplus of $75,000.00, but that in the plan of re-opening the capital stock is to be reduced to $55,000.00 and the surplus to $35,000.00, and that the necessary amendment to the Char-

ter of Peoples Bank & Trust Company has been applied for and petitioner has every reason to believe will be approved by the proper authorities authorizing the reduction of the capital stock of Peoples Bank & Trust Company to $55,000.00.

That in addition to this a Special Act of the Legislature was passed at the 1932 session authorizing the reduction of the capital stock of the Peoples Bank & Trust Company to $50,000.00. That this petition is filed pending the completion of the amendment to the charter of the Peoples Bank & Trust Company and decree is asked herein, subject to the approval of said reduction of capital stock, by the proper amendment.

That one of the terms of the freezing agreement signed by the depositors, is as follows:

"(6) It is further agreed that the Peoples Bank & Trust Company is to be re-opened with not less than $35,000.00 capital stock fully paid in cash, and in consideration of the benefits to accrue from the re-opening the undersigned, as a depositor or creditor, does hereby agree that such of the stockholders in the Peoples Bank & Trust Company as shall pay in cash to provide the capital stock for the re-opened bank, 50 per cent of the amount of their stock in the Peoples Bank & Trust Company at closing, shall be relieved and released from further liability to the depositors of the bank in liquidation, but that such stock-[fol. 14] holders as do not pay 50 per cent of their stock into the capital of the re-opened bank shall remain liable for the full amount of their stock liability, and which shall become a part of the assets known as the pool, to be administered as a trust hereinabove provided."

That the directors of the Peoples Bank & Trust Company have secured subscriptions from the stockholders in said bank whereby they have agreed to pay into the Peoples Bank & Trust Company, when authorized to re-open, $55,000.00 of capital stock as new money and other assets than is now carried in the statement of Peoples Bank & Trust Company in liquidation. That this $55,000.00 is now available and ready to be paid over to the Peoples Bank & Trust Company upon the reopening of said bank. That the plan contemplates the surrender and cancellation of all the outstanding stock in the Peoples Bank & Trust Company, and

the issuance of new certificates of stock in the Peoples Bank & Trust Company, being of the par value of $100.00 per share, being a total of 550 shares. That by the terms of the above Depositors' Agreement the depositors have waived their right to the double liability of the stockholders for the payment of their deposits in the closed bank, as to such as shall pay into the reopened bank 50% of the amount of stock originally held by them, but the stockholders in the reopened Peoples Bank & Trust Company, or any new deposits thereafter made in the reopened bank shall be liable for the deposits carried into the reopened Peoples Bank & Trust Company, or any new deposits thereafter made in the reopenend bank, as required by law. That the liability of such of the stockholders as do not pay 50% of the amount of their original stock into the reopened bank is to remain against them and they are to be liable therefor, which liability is to become an asset of the pool, and the collection thereof is to go towards the payment pro rata of the depositors and creditors whose claims are charged off 75%.

[fol. 15] That in the plan for the reopening of the bank $35,000.00 is being set up as surplus, which sum is to be derived from the assets of the bank in liquidation, and in addition thereto $10,000.00 from the assets of the bank in liquidation is to be set up as a reserve, and is being done by petitioner on the condition that the reopened bank is to agree to pay into the pool for the benefit of the 75% deposits charged off, all net earnings of said reopened bank after the payment of expenses for operation, taxes and reserve, as required by law, up to the sum of $7,500.00 per annum, until the entire amount of $45,000.00 has been repaid into the pool.

V

Petitioner respectfully shows that Peoples Bank & Trust Company in liquidation at this time has no bills payable to correspondent banks, and that there is therefore no amount which will have to be provided for this purpose in the reopening of the bank.

That the Peoples Bank & Trust Company, according to statement of May 1st, 1933, had on hand in cash as of that date $102,302.98, which is available for use in the reopening of the bank.

That it also has on hand $10,705.19 additional funds, which have been collected from stockholders in the Peoples Bank & Trust Company who have heretofore paid the full amount of their stock liability, but who, under the terms of the depositors agreement, are to be permitted to pay only 50% of the amount of their stock liability, and this amount [fol. 16] represents the amount paid by such stockholders over and above their 50% of stock liability, and is therefore to be returned to them, under the agreement with the depositors. This amount is therefore not to be considered as available for use in the reopened bank.

That when said bank reopens it would have a sufficient amount of money for its legal cash reserve, and to take care of its cash requirements from time to time, which cash requirements on the reopening, payable on demand, will be as follows:

Due on Deposit Account	$79,566.24
Due on Cashier's Checks Account	247.97
Due on Outstanding Drafts Account	3,039.95
Due on Common Claims Account	43.39
Total	$82,897.55
The total cash on hand available for the payment of the above obligations, which will be due upon the reopening of the bank will be	$102,302.98
From which, after deducting the full amount of the obligations which are due upon reopening as above outlined, being	$82,897.55
Leaves a balance of	$19,405.43

which will provide full reserve for the remaining deposits in the bank, all of which are deferred, and are obligations of the bank to be paid from the collection of the assets taken into the bank as and when such collections are made, as provided in the depositors agreement.

Petitioner believes that the Peoples Bank & Trust Company, if permitted to reopen in accordance with the plan [fol. 17] herein submitted, will be in a good, solvent condition as a bank, and will be able to operate with safety to its depositors and creditors, and to the public generally, and petitioner believes that it will so operate, and that such bank as a going concern will be to the best interest of all

the depositors and creditors of said bank and the community to be served by it.

IV

Petitioner would show that there is hereto attached as "Exhibit 5" the financial statement of Peoples Bank & Trust Company as it will appear as of the date of the opening; and also as "Exhibit 6" a financial statement as of the 1st day of May, 1933, and also as of date of opening, showing a reconcilement of the statement of the Peoples Bank & Trust Company in liquidation with the statement of the reopened bank at the time of reopening.

VII

Petitioner further shows that if Peoples Bank & Trust Company is permitted to reopen for business in accordance with the plan herein submitted, in his judgment it can safely operate in the future, and will serve its depositors, stockholders and the public generally, well, and will facilitate and promote business generally in the City of Tupelo, and the community served by it.

Petitioner is not now in position to say what percentage [fol. 18] will be received from the assets that are being placed in trust in what is termed the pool, to be collected for the benefit of its depositors and creditors whose deposits have been depreciated 75%, but such assets are to be handled by the Peoples Bank & Trust Company to be the best interest of said depositors and the very largest amount that can be realized thereon will be collected and used for the payment of the amounts due to such depositors and creditors pro rata.

VIII

Petitioner further shows that it is the understanding with the stockholders of Peoples Bank & Trust Company that no dividends will be paid to them on their stock until after the depositors and creditors whose deposits and claims have been frozen and depreciated have been paid the 25% agreed to be paid to them, and not then unless the condition of the bank justified it.

Petitioner further shows that the freezing of deposits plan will not apply to the depositors who deposit money in the Peoples Bank & Trust Company after its reopening,

nor as to any of those present depositors as to additional amounts deposited by them therein, and petitioner believes that such bank can and will operate with safety to all who may deal with it in the future, and should the court authorize petitioner to permit the Peoples Bank & Trust Company to reopen, the officers and directors of the Peoples Bank & Trust Company, acting for themselves and the stockholders, will make all necessary reports to the State Banking Department, and do everything necessary to be done to see [fol. 19] that said bank is properly operated as a good, sound banking institution.

IX

Petitioner would show to the court that there were approximately five thousand depositors in the Peoples Bank & Trust Company when it closed for liquidation, and there are a number of common creditors in addition. That all of these parties are interested in the results to be obtained from the Peoples Bank & Trust Company now in liquidation. The number of interested parties are so great that it would be impossible to personally serve with process each of them, in order to give them notice of the hearing of this petition, but that the interests of the general depositors and unsecured creditors are in common with the interests of the other said general depositors and unsecured creditors, and that which is to the best interest of the depositors and creditors as a class is to the best interest of each individual depositors and creditors. That it is the duty of the court to enter such decree as will be to the best interest of the depositors and creditors as a class, and the interests of such depositors and creditors can be fully protected by bringing into this court representatives of such classes as parties defendant to this petition. That likewise the depositors of said bank, shortly after the closing thereof for liquidation, selected nine representatives from their number to serve as a depositors committee, acting for the depositors and creditors of said bank as a class, and that said depositors committee has approved of the plan of re-opening of the bank, and petitioner asserts that it is his informa- [fol. 20] tion that it is the judgment of said depositors committee that it is to the best interest of the depositors and creditors that said bank should be re-opened according to the plan for the reopening as herein outlined.

Prayer

The premises considered, petitioner prays that the court may enter an order setting a day in vacation for the hearing of this petition, and likewise directing that a reasonable number of depositors and creditors of Peoples Bank & Trust Company be selected by this Court as representatives of said classes and that process issue for them, requiring them to appear on the date set for the hearing of this petition to show cause, if any they can, why the prayer of the petition should not be granted and the re-opening of the bank for business be authorized; and that likewise publication be made for all depositors and creditors and other interested parties, giving notice of the time and place of the hearing of this petition, and requiring that all interested parties show cause if any they can why the prayer of this petition should not be granted and the bank reopened for business, as hereinabove set out, and that on the hearing the court will inquire into the matters alleged in this petition, and all such matters relative to the bank in liquidation and the reopening thereof as may be right and proper, and that on the final consideration thereof the court may render a decree adjudging that it is to the best interest of all parties in interest as creditors of said bank that said bank be reopened for business, in accordance with the plan herein submitted to the court, and directing that said bank be re-
[fol. 21] opened; and if this be not the proper relief then petitioner prays for such other, further and more general relief as to the court may seem right and proper, and as in duty bound will ever pray, etc.

(Signed) J. S. Love, Superintendent of Banks of the State of Mississippi in charge of Peoples Bank & Trust Company, of Tupelo, Mississippi, in Liquidation. Flowers, Brown & Hester, by (Signed) C. R. Bolton, Solicitors for Petitioner.

[fol. 22] *Duly sworn to by J. S. Love. Jurat omitted in printing.*

[fol. 23] EXHIBIT "1" TO PETITION

Condensed Statement

Peoples Bank & Trust Company, Tupelo, Mississippi

December 24, 1930

Assets

Loans and Discounts	$1,818,733.09
Lumber Invoices	2,847.30
Overdrafts	61,822.48
Bonds	197,177.32
Bonds Bought under Repurchase Agreement	60,500.00
Guaranty Fund	12,500.00
Stocks	14,840.00
Banking House and Lot	55,000.00
Other Real Estate	125,037.11
Furniture and Fixtures	20,000.00
Due from Other Banks	62,487.38
Collection Account	279.72
Cash	23,085.81
Cash Items	6,963.69
Loss in Operations	15,800.88
	$2,477,114.78

Liabilities

Capital Stock	$200,000.00
Surplus	75,000.00
Individual Deposits	685,460.58
Savings Deposits	803,118.44
Time Certificates of Deposit	159,544.13
Cashier's Checks	10,699.30
Nettleton Branch	210.18
Union Planters National Bank & Trust Company (overdraft)	25,082.15
Bonds Sold under Repurchase Agreement	60,500.00
Rediscounts	30,000.00
Bills Payable	427,500.00
	$2,477,114.78

[fol. 24] EXHIBIT "2" TO PETITION

Depositors Agreement

Peoples Bank and Trust Company,

Tupelo, Mississippi

I, or we, ——, being a depositor or creditor of the Peoples Bank & Trust Company, of Tupelo, Mississippi, in the hands of J. S. Love, Superintendent of Banks, in charge of the liquidation thereof, as follows:

(1) Savings Account ..... $.....
(2) Checking Account .....

Total ..... $.....

In consideration of the reopening of said bank and the benefits to accrue to me, or us, by virtue thereof, hereby agree as follows:

(1) That said bank may be reopened under and subject to such plans as may meet with the approval of J. S. Love, Superintendent of Banks, the Chancery Court of Lee County, or the Chancellor (in vacation) and the directors of the Peoples Bank & Trust Company.

(2) That I, or we, are to receive 25 per cent of such balance as follows:

(a) 5 per cent of the original amount (or 20 per cent of the depreciated amount) as of date of reopening.

(b) Balance to be paid in installments whenever collections have been made from the assets taken over from the [fol. 25] closed bank shall equal 5 per cent of the present outstanding deposits. All deferred payments are to be without interest.

(3) That the remaining 75 per cent of my, or our, balance or credit is to be charged to my or our account, and set up in a special account to benefit from a trust fund hereinafter provided.

(4) That the Superintendent of Banks is to make an examination of the bank, and is to put into the reopened bank a sufficient amount of the assets of the bank now in

liquidation to insure the collection therefrom of sufficient funds to pay to the depositors and creditors of the bank now in liquidation the 25 per cent of their deposits and claims, which are to be assumed as a liability by the re-opened bank, and the remainder of the assets of the bank now in liquidation are to be charged out of the bank and carried into a special fund known as "Pool Assets," to be managed and collected by the reopened bank for my or our benefit and distributed pro rata, after a sufficient amount has been collected from the present assets of the bank to pay all depositors and creditors 25 per cent of their claims.

(5) That the said special fund designated as a pool and the assets from which it is derived is to be administered and distributed by the re-opened bank, under the jurisdiction of the Chancery Court of Lee County, Mississippi, as a trust fund and subject to the supervision of the Superintendent of Banks, and the said re-opened bank is to receive for the handling and collection of same 10 per cent of the amount which it collects, plus any Attorney's fees and court costs incurred.

(6) It is further agreed that the Peoples Bank & Trust Company is to be re-opened with not less than $35,000.00 [fol. 26] capital stock fully paid in cash, and in consideration of the benefits to accrue from the re-opening the undersigned, as a depositor or creditor, does hereby agree that such of the stockholders in the Peoples Bank & Trust Company as shall pay in cash to provide the capital stock for the re-opened bank—50 per cent of the amount of their stock in the Peoples Bank & Trust Company at closing, shall be relieved and released from further liability to the depositors of the bank in liquidation, but that such stockholders as do not pay 50 per cent of their stock into the capital of the re-opened bank shall remain liable for the full amount of their stock liability, and which shall become part of the assets known as the pool, to be administered as a trust herein above provided.

(7) Nothing in this agreement is to be constructed as relieving the stockholders in the re-opened bank from any liability under the law upon stockholders in anything that may occur in the operation of the re-opened bank.

(8) I hereby authorize the Superintendent of Banks of the State of Mississippi, with the approval of the Chancery

Court of Lee County, to act for me in further consummating the re-opening of the Peoples Bank & Trust Company, and in making contracts with the re-opened bank in conformity with this agreement.

Witness my signature, on this the — day of ——, 1933.

—— ——. Witness: —— ——.

[fol. 27] (Back of Depositors Agreement)

To the Honorable Chancery Court of Lee County, Miss., and Honorable J. S. Love, Superintendent of Banks of the State of Mississippi;

The undersigned, depositor in the Peoples Bank and Trust Company of Tupelo, Mississippi, hereby respectfully petition that said bank be reopened in accordance with the agreement which I have signed on the reverse hereof, which plan has been approved by the Depositors' Committee of said bank.

—— ——.

[fol. 28] EXHIBIT "3" TO PETITION

Statement

Peoples Bank & Trust Company, Tupelo, Mississippi

May 1st, 1933

Assets

Loans and Discounts		$956,816.72
Bonds		79,599.15
Expenses:		
General Expense	$9,364.84	
Salaries Paid	32,295.41	
Taxes Paid	34,035.25	
Farm Operations Expense	8,552.77	
Water and Light Expense	606.48	
Telephone and Telegraph Expense	1,285.52	
Insurance Paid	5,302.84	
Interest Paid	18,412.76	
		109,855.87
Tax Title Account		1,121.12
Overdrafts		4,041.08
Automobile Account		987.50
Live Stock Account		1,080.90
Stocks		37,468.60
Furniture and Fixtures		20,000.00
Real Estate		372,623.86
Bank Buildings		55,000.00
Bank of Tupelo	24,808.42	
Bank of Shannon	5,611.08	

Deposit Guaranty Bank & Trust Co., Jackson, Miss.	12,493.52	
First National Bank, Jackson, Miss.	223.64	
Merchants Bank & Trust Co., Jackson, Miss.	7,021.46	
Bank of Commerce, New Albany, Miss., Dividend Account #1	31,967.96	
Bank of Shannon, Shannon, Miss., Stockholders' Liability—Special Account	7.50	
Bank of Tupelo, Tupelo, Miss., Stockholders' Liability—Special Account	24,576.19	
Bank of Commerce, New Albany, Miss., Stockholders' Liability—Special Account	3,007.50	
		89,717.27
Stockholders' Liability		172,975.91
Cash Items		384.94
Total Assets		$1,901,672.92

Liabilities

Margin Account		$433,080.20
Earnings:		
Exchange	$159.89	
Interest on Notes	47,624.91	
Interest on Bonds	15,779.20	
Misc. Interest	3,201.48	
Rents	21,163.31	
		87,928.79
[fol. 29]		
Participating Certificates	$1,311,303.43	
Cashier's Checks	4,955.28	
Outstanding Drafts	60,755.35	
		$1,377,014.06
Small Accounts $5.00 and under		3,649.87
Total Liabilities		$1,901,672.92

[fol. 30] EXHIBIT "4" TO PETITION

Statement

Trust Funds or Pool Assets and Liabilities

Peoples Bank & Trust Company, Tupelo, Mississippi

As of Date of Re-opening of Peoples Bank and Trust Company

Assets

Bills Receivable and Equity in Bills Receivable	$759,111.08
Equity in Bond Account	31,610.15
Tax Title Account	1,121.12
Auto Account	987.50
Live Stock Account	1,080.90
Equity Stocks and Bonds Account	29,968.60
Equity Furniture and Fixtures Account	15,000.00

Equity in Bank Buildings Account	42,500.00
Equity in Real Estate Account	306,806.36
Special Cash Account	3,401.82
Cash Items	384.94
Stockholders' Liability Account	90,000.00
Total Assets	$1,281,972.47

Liabilities

Margin Account	$255,345.70
Deposit Account	976,703.37
Cashier's Checks Account	3,715.84
Outstanding Drafts	45,556.32
Common Claim Account	651.24
Total Liabilities	$1,281,972.47

[fol. 31] EXHIBIT "5" TO PETITION

Statement

Peoples Bank & Trust Company, Tupelo, Miss., as of Date of Re-opening

Assets

Bills Receivable	$216,892.08
Bonds	50,000.00
Overdrafts	4,101.94
Stocks and Bonds	7,500.00
Furniture and Fixtures (3)	5,000.00
Real Estate	68,917.50
Bank Buildings (3)	12,500.00
Cash on Hand and in Banks	102,302.98
Total Assets	$467,214.50

Liabilities

Capital Stock	$55,000.00
Surplus	35,000.00
Reserve	10,000.00
Special Reserve	12,039.06
Demand Deposit Account	79,566.24

Demand Cashier's Checks Account	247.97
Demand Drafts Outstanding Account	3,039.95
Demand Common Claims Account	43.39
Deferred Deposits and Claims:	
Deposits	258,683.69
Cashier's Checks	991.47
Drafts Outstanding	12,159.08
Common Claims	173.65
Total Liabilities	$467,214.50

[fol. 32] EXHIBIT "6" TO PETITION

Following is a Consolidated Statement showing as follows:

Column #1: Statement of Peoples Bank & Trust Company, Tupelo, Miss., in Liquidation, as of May 1st, 1933.

Column #2: Statement of Peoples Bank & Trust Company, Tupelo, Miss., in Liquidation, after giving effect to the $55,000.00 collected for the Capital Stock Structure.

Column #3: Statement showing the Assets and Liabilities of the Pool or Trust Fund.

Column #4: Statement of Peoples Bank & Trust Company, Tupelo, Miss., as will be reflected by its books on the date of re-opening of said bank.

	Column #1	Column #2	Column #3	Column #4
Assets:				
1. Bills Receivable	$956,816.72	$976,003.16	$759,111.08	$216,892.08
2. Bonds	79,599.15	81,610.15	31,610.15	50,000.00
3. Tax Title Account	1,121.12	1,121.12	1,121.12	.....
4. Overdrafts	4,041.08	4,041.08	.....	4,041.94
5. Automobile Account	987.50	987.50	987.50	.....
6. Live Stock Account	1,080.90	1,080.90	1,080.90	.....
7. Stocks and Bonds	37,468.60	37,468.60	29,968.60	7,500.00
8. Furniture and Fixtures	20,000.00	20,000.00	15,000.00	5,000.00
9. Bank Buildings	55,000.00	55,000.00	42,500.00	12,500.00
10. Real Estate	372,623.86	375,723.86	306,806.36	68,917.50
11. Cash and Due from Banks	89,717.27	102,302.98	.....	102,302.98
12. Special Cash Account	.....	3,401.82	3,401.82	.....
13. Cash Items	384.94	384.94	384.94	.....
14. Stockholders' Liabilities	172,975.91	145,000.00	90,000.00	.....
	$1,791,817.05	$1,804,126.11	$1,281,972.47	$467,214.50
Liabilities:				
15. Margin Account	$411,153.12	$411,153.12	$255,345.70	.....
16. Capital	.....	.....	.....	55,000.00
17. Surplus	.....	.....	.....	35,000.00
18. Reserve	.....	.....	.....	10,000.00
19. Special Reserve	.....	12,309.96	.....	12,309.06
20. Demand Deposit Account	.....	.....	.....	79,566.24
21. Participating Certifs	1,311,303.43	1,311,303.43	976,703.37	.....
22. Demand Cashier's Ck. Acct	.....	.....	.....	247.97
23. Cashier's Checks	4,955.28	4,955.28	3,715.84	.....
24. Demand Drafts Outstanding	.....	.....	.....	3,039.95
25. Outstanding Drafts	60,755.35	60,755.35	45,556.32	.....
26. Demand Common Claims	.....	.....	651.24	43.39
27. Small Deposits	3,649.87	3,649.87	.....	.....
28. Deferred Deposits	.....	.....	.....	.....
29. Deposit Account	.....	.....	.....	258,683.69
30. Cashier's Checks Acct	.....	.....	.....	991.47
31. Drafts Outstanding	.....	.....	.....	12,159.08
32. Common Claims	.....	.....	.....	173.65
	$1,791,817.05	$1,804,126.11	$1,281,972.47	$467,214.50

[fol. 33] IN CHANCERY COURT OF LEE COUNTY

No. 6583

[Title omitted]

DECREE AS TO HEARING

This day came on to be heard the petition of J. S. Love, Superintendent of Banks, in charge of Peoples Bank & Trust Company, of Tupelo, Mississippi, in liquidation, asking for authority to permit the said bank to re-open for business, and praying that a date for the hearing of the petition be set, and that notice to all depositors, creditors, and interested parties be given by publication, and it appearing to the Court that the prayer of the petition relative to fixing a date for hearing and publishing notice thereof should be sustained; it is therefore ordered by the court that said petition be heard before the Chancellor in vacation, in the office of the Chancery Clerk at the Court House in the City of Tupelo, Lee County, Mississippi, at 10 o'clock A. M. on the 15th day of May, 1933, and the Clerk is hereby directed to publish in the Tupelo Journal, a weekly newspaper published in Lee County, Mississippi, notice of the filing of this petition, addressed to all depositors, creditors, and other parties in interest, commanding them to appear before the undersigned as Chancellor in vacation at said time and place, to show cause, if any they can, why the prayer of the petition should not be granted.

It further appearing to the Court that petitioner has prayed for issuance of process for a reasonable number of the depositors and creditors of said bank, as representative of the depositors and creditors as a class to be selected by this court to show cause, if any they can, why the prayer of the petition should not be granted, and the court [fol. 34] hereby designates for service as representatives of depositors and creditors as a class the following parties who are depositors and creditors, to-wit:

Mrs. L. R. Higgs, Post Office Address, West Point, Miss.
W. L. Huffman, Post Office Address, Tupelo, Miss.
R. D. Jackson, Post Office Address, Shannon, Miss.
Henry Johnson, Guardian of Amos Reese, Post Office Address, Tupelo, Miss.

Mrs. R. A. King, Post Office Address, Shannon, Miss.
Mrs. Birdie Lowery McCord Dunn, Post Office Address, 2208 41st Street, Meridian, Miss.
Mrs. Della Posey, Post Office Address, R. F. D. 2, Nettleton, Miss.
Lamar Williams, Post Office Address, Tupelo, Miss.
Mrs. O. C. Doty, Post Office Address, Tupelo, Miss.
M. M. Foster, Post Office Address, Tupelo, Miss.
L. L. Bethay, Post Office Address, Tupelo, Miss.
J. W. Green, Post Office Address, R. F. D. 2, Tupelo, Miss.
International Agricultural Corporation, Post Office Address, Tupelo, Miss.
Mobile & Ohio R. R. Co., Ernest E. Norris, Receiver.
Standard Oil Company, of Kentucky.

And the clerk is directed to issue process for said parties as representatives of the depositors and creditors as a class, returnable on the date and at the place fixed for hearing, to show cause, if any they can, why the prayer of the petition should not be granted, and deliver the same to the proper officer for service.

Ordered, adjudged, and decreed in vacation this the 4th, day of May, 1933.

(Signed) James A. Finley, Chancellor.

[fol. 35] IN CHANCERY COURT OF LEE COUNTY

NOTICE AND PROOF OF PUBLICATION

STATE OF MISSISSIPPI,
Lee County:

Personally appeared before me, Notary Public, in and for said County and State, N. B. Buchanan, publisher of a newspaper printed and published in the City of Tupelo, Lee County, Mississippi, called The Tupelo Journal, who being duly sworn, deposes and says that the publication of a certain notice, a true copy of which is hereunto attached, has been made in said newspaper for three issues consecutively, to wit:

Vol. 61, No. 11, Date May 5, 1933.
Vol. 61, No. 12, Date May 9, 1933.
Vol. 61, No. 13, Date May 12, 1933.
Vol. I, No. —, Date —.

(Signed) N. B. Buchanan.

Witness my hand and seal this the 12 day of May, 1933. (Signed) Julia Hillebrand. My commission expires Jan. 3, 1934. (Seal.)

THE STATE OF MISSISSIPPI

No. 6583

In the Matter of the Liquidation of Peoples Bank & Trust Company, by J. S. Love, Superintendent of Banks

To All Depositors, Creditors and Other Parties in Interest in Said Bank:

You are hereby commanded to appear before the Honorable James A Finley, Chancellor of the Chancery Court of Lee County, Mississippi, on the 15th day of May, 1933, in the office of the Chancery Clerk, at the Court House in the City of Tupelo, Lee County, Mississippi, at 10 o'clock A. M. to show cause, if any you can, why the petition of J. S. Love, Superintendent of Banks in charge of Peoples [fol. 36] Bank & Trust Company, of Tupelo, Mississippi, in Liquidation, this day filed in said county, asked for authority to re-open said bank, should not be granted.

Done by order of the Honorable James A. Finley, Chancellor, this the 4th day of May, A. D. 1933.

Byron Long, Chancery Clerk.

Printer's Fee

To 159 Words at 4 Cents per word	$6.36
To Proof of Publication	.50
Total	$6.86

Paid. VSW. 5-12-33.

[fol. 37] IN CHANCERY COURT OF LEE COUNTY

In Vacation, May 13, 1933

[Title omitted]

OBJECTIONS

And now comes Mrs. Oscar C. Doty, a resident citizen of the State of Mississippi, City of Tupelo, and J. S. Wesson, a resident citizen of the City of Memphis, State of Tennessee, and object to the granting of the petition filed in this cause by J. S. Love, Superintendent of Banks, on May 4th, 1933, styled Petition for the Re-opening of the Peoples Bank and Trust Company, Tupelo, Mississippi, and ask that the prayer of said petition be denied and the relief asked for therein also be denied, and for cause of objection state the following:

That the said Mrs. Oscar C. Doty on January 7th, 1928, deposited in the Peoples Bank and Trust Company, in the savings department thereof, the sum of $14,000.00.

That she received no certificate of deposit for the same but received what is styled a "pass book," which said pass book is now in her possession and is No. 7279, and the original book itself will be produced at the hearing of this cause and the contents thereof is fully known to the petitioners in this case, as said bank during the time of existence issued many books of like kind, description and words; the only difference being the number of the same, and that from time to time, up to and including December 3rd, 1930, [fol. 38] she withdrew from said bank on account of said deposit, funds, until said deposit, together with the accumulated interest thereon, credited from time to time thereon, only amounted on December 31st, 1930, to the sum of $2,512.21, and that said amount is still due to her by said bank on account of said amount so deposited as aforesaid in said savings department.

That the said Mrs. Oscar C. Doty also had on deposit at the time the same went into the hands of the Superintendent of Banks for liquidation on what is known as "checking account" the sum of $——, all of which of said balance so on said checking account had been before that time deposited by her, the said Mrs. Oscar C. Doty, in the said Peoples Bank & Trust Company, subject to her check.

The said J. S. Wesson would show and represent that on July 24th, 1911, there was issued to him a pass book on savings department of the said Peoples Bank & Trust Company, showing that he, the said J. S. Wesson, at that time had on deposit in said savings department the sum of $4,134.73, and he would further show that from time to time up to the third day of January, 1923, he continued to make deposits of money in said bank in said savings department.

That on said date, the said J. S. Wesson had on deposit in said savings account in said bank the sum of $8,580.10; that said funds were deposited in said bank with the understanding and agreement that interest on the same at the rate of four per cent compounded quarterly was to be credited to the said J. S. Wesson; that he drew no checks against the same and the interest thereon on said sum was so credited in said book from time to time, and that on January 2nd, 1930, said sum so due to him, as aforesaid on said last named date, together with the interest at four [fol. 39] per cent credited thereon aggregated and was then due to the said J. S. Wesson the sum of $11,992.87, and that with the addition thereto interest that should have been credited on the same for the year 1930 makes a total amount now due to the said objector of $12,477.35, and that at the time the said bank went into the hands of the said J. S. Love, Superintendent of Banks, for liquidation, there was due to the said objector, J. S. Wesson, the said sum last named, together with four per cent interest per annum credited and compounded quarterly on said last named sum from January 2, 1930, to the date of the closing of said bank up until the 25th day of December, 1930.

That no deposit slips were issued to the said J. S. Wesson and other sums so deposited by him and said interest so credited to him aforesaid, were entered on his pass book #2544, the original of which will be produced at the hearing of this cause.

That all of the funds so deposited by both of the above named objectors to said petition were made many years before the closing of said bank for liquidation and many years before the passage by the Legislature of the State of Mississippi of Chapter 251, Senate Bill #511, of the Acts of the Legislature of the State of Mississippi of 1932, under which the petitioner, J. S. Love, is seeking to re-open the said Peoples Bank & Trust Company.

That all of said money so deposited and credited to each of your said objectors was deposited with the distinct understanding and agreement that the same would be repaid to them, upon the presentation of said book, together with check for the amount sought to be from time to time withdrawn, and that your said objectors made such deposits subject to the laws then in force and were then and still are entitled to all of the rights, remedies, ways and manners then provided by law for the enforcement of the payment of their said debt, and that insofar as Chapter 251, Senate [fol. 40] Bill 511, passed by the Legislature of the State of Mississippi at a session of 1932, seeks to enforce these objectors to accept less than the face value of their claim because others have agreed to accept such sums, the same is unconstitutional and of no force and effect, for the reason that it violates Subdivision 1, of Section 10, of the Constitution of the United States, which reads, as follows:

"No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin money; emit Bills of Credit; make anything but gold and silver coin — tender in payment of debts; pass any Bill of Attainder, ex post facto law, or law impairing the Obligation of Contracts, or grant any Title of Nobility."

And *who* violates Section 16 of Article 3 of the Constitution of the State of Mississipi.

And further that said law is unreasonable and should not be enforced or treated of any effect, for the reason that it attempts to give three fourths of the general depositors and creditors therein, or any number of the general depositors and creditors therein, provided that they own at least three-fourths of the deposits in or claims against such bank, agreed to the re-opening hereof and sign what is commonly termed "a freezing of deposits agreement", under the terms of which said law, stock-holders of a failed bank having money on deposit are attempted to be given the same petitioning or voting power as other depositors and for the further reason that under the terms of Section One thereof, it is possible for a limited number of stockholders in a bank, if they have large amounts on deposit to their credit, aggregating more than three-fourths of the deposits of the bank, to enforce upon the other de-

positors any kind of settlement they may see fit; and Chapter 251 is further unreasonable and unconstitutional in that under Section Two thereof, it attempts to exclude other banks holding bills payable of the closed banks, from the terms of the law and makes whatever debts against such closed bank, although unsecured, preferenec claims [fol. 41] over other depositors, or private citizens holding a note or notes of such failed bank for valuable consideration.

Your said objectors deny that the proposed settlement with the depositors is fair, just or to the best interest of said depositors or to the best interest of the community; they deny that it is to the best interest of the community for the Peoples Bank & Trust Company to be re-organized and opened, but on the contrary aver that under the present conditions of the business of the country, that by reason of the fact that there are already two banks in the City of Tupelo open and carrying on business, that it would be impossible for said Peoples Bank and Trust Company, if re-opened, to run on the basis of even breaking even, and that the only possible chance for it to succeed, or those who are attempting to re-open it, would be by reason of the profit they would make out of the assets now subject to the payment of the deposits of these objectors, and the other depositors in said bank, having claims against the same.

They aver that said settlement is unfair and unjust, for the reason that in the proposed schedules filed that over $200,000.00 of the assets of said bank are proposed to be turned over to the new bank in excess of what would be necessary to pay 25¢ on the dollar to the present depositors of said bank; that, in addition to this, they propose to pay back to the stockholders who have already paid their assessments under the law, about the sum of $10,000.00 which said money should be kept by the liquidating agent and administered according to law, and also the liability of those who have not paid, and for the further reason such additional stockholders as are liable under the law for the assessment of 100¢ on the dollar of their stock that are solvent, it is proposed to release them upon payment of such amount, and further that because said proposed settlement releases and takes away from these depositors [fol. 42] their rights to all of the money due under the law by the stockholders, in that it proposes for them only

to pay 50¢ on the dollar of the amount due by them and this is to be consumed or placed in the new bank by the way of capital stock which will be assets of the new bank.

It is further unfair and unjust to these objectors and the other depositors of said bank, for the reason that all of the assets turned over to the said new bank will be bearing interest until they are collected, and it is proposed only to pay to these objectors the sum of 25¢ of their deposit, the principal of said sum, without any interest, regardless of how long it may be before they receive their money.

It is further unfair and unjust for the reason that there is no provision made that in case all of the assets turned over to the new bank should be collected and regardless of what said collections may amount to in excess to the sum that will be necessary to pay the depositors of said bank 25¢ on the dollar, for any surplus or over-plus of said funds to be placed back in the trust fund for the use and benefit of the depositors.

It would be further detrimental to the interest of these objectors and all other depositors for said bank to be re-organized and opened for the reason and on account of the fact that said Peoples Bank and Trust Company through mismanagement, reckless loans and loans made contrary to law is in such bad repute throughout the district in which it did business that no re-organized bank, springing from the old bank, can ever have the confidence, faith and trust of the people, and will never be able to carry on any business.

It is further unjust and unfair for the reason that it is proposed in said settlement that *on* every asset now held by the Superintendent of Banks and the Liquidating Agent of said bank, which is yet uncollected, shall bear a charge [fol. 43] of ten per cent for collecting the same, regardless of the expense or trouble that may be necessary to collect it, and also for the payment of all attorney's fees expended in and about the collection of the same, regardless of whether said attorney's fees are provided for in such note and collected at the time the principal and interest is collected or not.

They object to said petition, for the further reason that no list is furnished of the assets proposed to be turned over to the new bank, and neither is any list of what is to

be turned over to the trust fund; they charge and aver that it is the object and purpose of this re-organization for a few people to get charge of the solvent assets of said bank and to make a large amount of money out of same, at the expense of these objectors and the other depositors in said bank.

Objectors deny that the so-called proposed trust fund, proposed to be set aside will be of any value whatever; that while said petition sets up that it will aggregate the sum of $—, no list of persons is furnished as to who is liable for the payment of said notes and bills receivable so set aside, and judging from the way that the real estate and bank building is handled and proposed to be set aside, objectors charge that all the notes or bills receivable, so intended to be placed in said trust fund, are worthless and of no value; that under the terms of said agreement and the way real estate is proposed to be set aside, the said reorganized bank can use the bank building free of rent and collect the rent and income from the other real estate, and under no offer or contract to place any of the income from said sources to the credit of the depositors in any way whatever, and the so-called equity proposed to be set aside with no voice on the part of the depositors as to the disposition of the same will be of no value whatever, either as to the bank building or any of the other real estate now owned and held, and the same is true of any proposed or so-called equity as to the furniture and fixtures.

[fol. 44] Objectors further object to the same, for the reason that said bank has been in liquidation nearly two and one-half years and the funds have been distributed and all of the assets which were bound up as collateral for the payment of any debts, and which were liable to be sacrificed have been gotten out of the hands of the pledge-s and can now be fully administered by the liquidating agent at a great deal less cost, and to a much greater advantage to these objectors and the other depositors of said bank than under the proposed agreement of settlement, and re-opening presented to this court in this cause.

Objectors charge and aver that the interest and income from the real estate and the interest on the bills receivable which are yet unpaid in the hands of said liquidating agent will be largely more than sufficient to pay any and all rea-

sonable necessary expenses that will have to be incurred in the collection of said bills receivable and the distribution of the other money among the depositors.

Objectors further charge and aver that said proposed settlement is unfair and unjust, for the reason that the cash now on hand and which can easily be collected from the collectible assets now in the hands of the Superintendent of Banks and the Liquidating Agent, will pay at present largely more to the depositors than is proposed to be paid out in cash at the present time by such re-opened bank.

Objectors further say that said proposed settlement is unfair, unjust and if allowed to go through would constitute a great wrong against these objectors and the other depositors, for the reason that under said proposed agreement the depositors would practically be furnishing the capital stock to the re-organizing of said bank on which to carry on the same, and they further say that it is unfair, unjust and wrong, and against the best interest of these objectors and the other depositors, for the reason that said re-organized bank in said proposed agreement does not guarantee the payment of any amount to these objectors, ex-
[fol. 45] cept 5% of their original deposit, or 20% of the reduced amount proposed to be paid to them, and that as to the balance of any such proposed payment to be made, the said new bank does not guarantee the payment of the same, or any part thereof, and if said new bank should fail to make money and all of the assets so turned over to it be consumed in expense, salaries, etc., for running such new bank; then said objectors and the other depositors would have no recourse for the balance of their reduced deposits, except such as the stockholders might be liable for under the law, and as could then be made out of them by execution.

These objectors deny that the officers and directors and stockholders of the Peoples Bank and Trust Company have ever had any agreement with these objectors on the plan of the re-opening of the Peoples Bank and Trust Company as outlined in the "Depositor's Agreement", copy of which is attached to the petition in this cause, but on the contrary aver that they have never agreed to anything about the re-opening of said bank, and have never had anything to do with any depositors' meeting or depositors' committees; they deny that 75% of the amount of deposits of the claims

against said bank, such as is required under the law under which said bank is now being attempted to be opened, have signed any such agreement freely and voluntarily, but charge and aver that if the same is so signed and inducement and special agreement have been made with a sufficient number of those signing the same for special benefits, in order to induce them so to do, as to render said agreement unlawful, irregular and of no force; because without such signatures a sufficient number of sign-es would not have been procured.

Objectors again deny that such closed bank is solvent under the terms of the re-opening plan and can operate with safety to the depositors and the public; they deny that under such plan proposed for the reopening of said bank that all the depositors and creditors of said bank will [fol. 46] realize more by the said reopening plan on their said deposits than they would realize if the affairs of said bank were continued in liquidation, and its business thus worked out and a final settlement made with the depositors.

They deny that the interest of all depositors and creditors will be promoted according to the plan as set out by the petition. Objectors aver that insofar as that clause of the petition is concerned which says that "in the plan for reopening of the bank, $35,000.00 is being set up as surplus which sum is to be derived from the assets of the bank in liquidation, and in addition thereto, $10,000.00 from the assets of the bank in liquidation is to be set up as reserve and is being done by petitioner on the condition that the reopened bank is to agree to pay into the pool, for the benefit of the 75%-charged off, all net earning of said reopened bank, after payment of expenses for operation, taxes, and reserve, as required by law, up to the sum of $75,000.00 per annum until the entire amount of $45,000.00 has been repaid into the pool," and the other proposed agreement as to the payment of no dividends by said bank, and for the happening of certain contingencies, amount to nothing, for none of said funds so received in the proposed agreement would be liable to the payment of these objectors' claims or those of any other depositors, and as to whether these objectors and other depositors would ever receive anything other than the five per cent to be paid when the bank is opened, would depend entirely on whether anything was ever collected from the balance of the assets

now belonging to the depositors that are left, after the proposed new bank takes what it and the Superintendent of Banks desire to give it.

Objectors do not know who the proposed new stockholders in said bank are to be, but they charge and aver that they consist of stockholders in the old bank, out of whom the amount due under the law on their stock can be made by execution, and that such proposal for reopening [fols. 47-51] has been gotten up by them, with a view to getting rid of fifty per cent of their liability, and placing the other fifty per cent in property which would belong to them. Or, in other words, it is a scheme, pure and simple, to have the depositors furnish sufficient capital to start a new bank and own no part of the same;

And, now having fully answered said petition, objectors pray that the prayer thereof be denied and same be dismissed.

(Signed) C. P. & S. H. Long, Solicitors for Objectors.

Duly sworn to by Mrs. Oscar C. Doty and J. S. Wesson, Jurat omitted in printing.

[fol. 52] IN CHANCERY COURT OF LEE COUNTY

In Vacation, May, 1933

[Title omitted]

PETITION OF DEPOSITORS COMMITTEE RELATIVE TO RE-OPENING

To the Chancery Court of the said County of Lee:

Now comes Dr. R. W. Carruth, A. J. Livingston, T. E. Burrow, A. E. Ray, C. B. Curlee, Sidney Gallagher, G. W. Roberts, W. H. Sumner and Dr. J. T. Dabbs, and would respectfully show unto the Court as follows:

That all the petitioners herein are depositors in the Peoples Bank & Trust Company, and were depositors at the time of the closing of the bank for liquidation, in December, 1930. That after the closing of said bank for liquidation public meetings were held of the depositors of said bank, and at said meetings representatives were selected

by the depositors to form a Depositors Committee, whose duty it was to look after the interests of the depositors in said bank, and to take such steps as in the judgment of the committee would be to the best interest of the depositors of said bank.

That said Depositors Committee were selected by electing three men as representatives of the depositors in the Tupelo territory, three men as representatives of the depositors in [fol. 53] the territory served by the Rienzi branch, and three men as representatives of the depositors in the territory served by the Nettleton branch, and all of said representatives to be representatives of the depositors of the bank as a whole. That petitioners herein were duly elected as such Depositors Committee. That said committee organized by electing Dr. R. W. Carruth, Chairman, and said committee has continued to function up to this date as a Depositors Committee, and has been generally recognized as such by the public and the general depositors of the Peoples Bank & Trust Company.

That the Depositors Committee has considered the question of the reopening of the Peoples Bank & Trust Company, and the plan proposed, therefor, and it is the judgment of the Depositors Committee that the plan for the reopening of said bank is to the best interest of the depositors and creditors of said bank, and that their interests would be promoted by the reopening of said bank, according to the plan which is embodied in the Depositors Agreement, which has been generally signed by depositors of Peoples Bank & Trust Company; that, believing said plan is to the best interest of the depositors, the committee has co-operated in the steps that have heretofore been taken for the reopening of the bank.

The undersigned petitioners, appearing as the Depositors Committee of the Peoples Bank & Trust Company in Liquidation, submit this petition to the Court and ask the Court to approve the plan for the re-opening of the bank as submitted in the petition filed by the Superintendent of Banks on May 4th, 1933, asking for authority to reopen the Peoples Bank & Trust Company for business. Petitioners as such Depositors Committee voluntarily enter their appearance in this Court, file this petition in support of the petition filed by the Superintendent of Banks, and pray that the Court may enter an order adjudging that it is to the best

[fols. 54 & 55] interest of the depositors and creditors of Peoples Bank & Trust Company that the bank be reopened, under the plan submitted in said petition, and directing the Superintendent of Banks to reopen the same as prayed for in his petition, and as in duty bound petitioners will ever pray, etc.

(Signed) R. W. Carruth, (Signed) T. E. Burrow,
(Signed) A. E. Ray, (Signed) T. G. W. Roberts,
(Signed) W. H. Sumner, (Signed) J. T. Dabbs,
(Signed) Sidney Gallaher, (Signed) C. B. Curlee,
(Signed) A. J. Livingston, Depositors Committee.

Duly sworn to by Dr. R. W. Carruth et al. Jurats omitted in printing.

[fol. 56] IN CHANCERY COURT OF LEE COUNTY

In Vacation, May 16, 1933

[Title omitted]

ANSWER, OBJECTIONS, ETC., OF MRS. O. C. DOTY ET AL.

Now comes Mrs. Oscar C. Doty of Tupelo, Mississippi; R. D. Jackson, of Lee County, Mississippi, and J. S. Wesson, of Memphis, Tennessee, and Mrs. Nannie McCarty, of Tupelo, Mississippi, and would show that at the time the Peoples Bank and Trust Company went into liquidation it was indebted to said parties as depositors in the sums agreed upon in the record in this cause, and also comes G. C. Mabry and S. Mabry, a partnership composed of G. C. and S. Mabry, operating and doing business under the firm name of G. C. and S. Mabry, both of said partners being resident citizens of Calhoun County, State of Mississippi, and comes Mrs. J. W. Brown, a resident citizen of Jackson, Hinds County, Mississippi, and as such would show unto the court that G. C. and S. Mabry are depositors in the Peoples Bank and Trust Company of Tupelo, Mississippi, in liquidation, in the sum of $——, which claim is, as they are informed and believe, a preference claim, in that the same is the proceeds of the sale of certain cotton or cotton warehouse receipts deposited with the said bank as collateral to secure a note due by them to said bank, and

said collateral was sold by said bank on the 24th day of December, 1930, in satisfaction of said note, at a time when the bank was hopelessly insolvent and known to be so by the officers and directors thereof, and the proceeds of the sale after the payment of the note aforesaid, were deposited or [fol. 57] attempted to be deposited in said bank by the officers and directors thereof, without the knowledge or consent of said Objectors;

That the said Mrs. J. W. Brown is a general depositor in her own right and name in the sum of $——, as shown by the books of the said Peoples Bank and Trust Company, and also a depositor of certain trust funds entrusted to her care, the property of the Baptist Missionary Society of the First Baptist Church of Tupelo, Mississippi, for which funds she is accountable to said Association, said trust deposit being the sum of $——, as shown by the books of said bank; also Mrs. Bessie Williams King, a resident citizen of Itawamba County, Mississippi, who is a depositor in the said Peoples Bank and Trust Company, in liquidation, the sum of $100.00, as shown by the books of said bank; and object to the granting of the prayer of petition by J. S. Love, Superintendent of Banks, asking that the Peoples Bank and Trust Company be allowed to re-open, and for cause of objections state the following:

That the same is attempted to be re-opened under Chapter 251 of Senate Bill 511 of the acts of the Legislature of the State of Mississippi of 1932, by reason of and on account of the fact, as alleged in said petition that depositors owning three-fourths of the amounts of the deposits of said bank have signed an agreement for the bank to be opened in accordance with the terms set forth in said petition.

That the funds of all said depositors were deposited in said bank prior to the passage of said act, above referred to, and that said bank was closed for liquidation prior to the passage thereof, and that all of said funds were deposited subject to the conditions named in the pass books of those who deposited in savings account, and under the terms of deposit slip issued to those depositing in the checking account, with the right on the part of all of said depositors to withdraw their funds, upon check from time [fol. 58] to time, as they saw fit, and with all the rights, privileges, remedies, and manners then provided by law for the enforcement of the collection of the same, and under the laws theretofore enacted for the benefit of depositors

and for the liquidation of banks, and that said statute under which they therefore charge said bank is attempting to be opened as to all of said objectors is unconstitutional, and of no force and effect, insofar as any rights on the part of said Superintendent of Banks to have said bank opened is involved, for the reason that the same violates Sub-division One of Section 10 of the Constitution of the United States, which reads as follows:

Section 10 of Article I provides among other things, "that no state shall pass any bill or law impairing the obligation of contracts."

And Section 16 of the Constitution of the State of Mississippi, which provides among other things, "that ex post facto law or laws impairing the obligation of contracts shall not be passed."

And also violative of the 14 Amendment of the Constitution of the United States and of Section 14 of the Constitution of the State of Mississippi of 1890; said sections, both as to the federal and state constitutions, provide among other things, "that no person shall be deprived of life, liberty, or property, except by due process of law", and the 14 Amendment of the Constitution of the United States further provides that "no state shall make or force any law which shall abridge the privileges or immunities of the citizens of the United States; nor shall any state deprive any person of life, liberty or property without due process of law nor deny to any person within its jurisdiction the equal protection of the law."

[fol. 59] And also violates Section 17 of Article 3 of the Constitution of the State of Mississippi, which provides that "Private property shall not be taken or damaged for public use, except on due compensation being first made to the owner or owners thereof, in a manner to be prescribed by law, and whenever an attempt is made to take private property for use alleged to be public, the question whether the others use by public shall be judicial question and as such determined without regard to legislative assertion that the use is public."

And further, because said law as written is unreasonable, unjust and should not be enforced, for the reason that it makes no distinction in the right to petition for composition or re-opening of the bank between ordinary depositors and stockholders of such bank having deposits therein, and

is further unreasonable and unjust in that it attempts to give correspondent banks the right to collect their money due them by the failed bank in full, and denies such rights to private citizens, partnerships or other corporations, who have loaned money to aid bank and hold their obligations therefor.

Your said objectors deny that the proposed settlement with the depositors is fair, just, or to the best interest of said depositors or the best interest of the community—

I. Because under the present conditions of the business of the country, by reason of the fact that there are already two banks in the City of Tupelo open and carrying on business, it will be impossible for said reorganized bank, if reopened, to even break even on expenses of running the same; and

II. Because it is intended and so set out that approximately $200,000.00 of the assets of the bank belonging to the depositors, when collected subject to distribution among [fol. 60] them, are proposed to be turned over to the new bank, in excess of what would be necessary to pay 25¢ on the dollar to the present depositors of such bank.

III. Because it is not proposed by the stockholders in said new bank to place any additions, by the way of capital stock, surplus, or anything else, other than the amounts to be taken from the present assets of said bank belonging to the depositors.

IV. Because it is proposed to remit one-half of the stockholders' liability of the solvent stockholders, who will pay into the reorganized bank the other half of their liability to be used as capital stock and in consideration of the payment of which they are to issue to the stockholders in the new bank certificates of stock therefor, and thus release the entire amount of the stockholders who are solvent, liability from the payment of the debts due by the old bank, in utter contravention of the terms of the law which provide expressly that said funds shall be used for no other purpose, other than for paying the depositors and thereby using the special trust fund created by law for the benefit of depositors in purchasing stock, for the benefit of a favored few," and

V. For the further reason that it is proposed to refund to certain favored stockholders more than $10,000.00 of the funds held in trust by the Superintendent of Banks for the benefit of depositors; said $10,000.00 having been collected from the stockholders on stockholders' liability, on account of the stock held by them in the Peoples Bank and Trust Company in liquidation.

VI. Because it is not proposed to pay to the depositors any interest on the amount proposed to be paid to them by the deferred payments, while all of the proposed assets to be — over by said new bank bear interest, or bring in income.

VII. Because no time is fixed whatever for any payment [fol. 61] other than the five per cent cash on the re-opening of said bank to be paid to the depositors.

VIII. For the further reason that it is proposed to transfer the title in and to stocks of the value of $37,468.60; furniture and fixtures of the value of $20,000.00, real estate of the value of $372,623.00, and bank buildings of the value of $55,000.00 to the re-opened or reorganized bank and to vest title to said property in said bank, with a side-agreement or understanding that the reorganized bank will agree upon the disposition of said property — retain for its own use and benefit from the sale of the stock and bonds, $7,500.00; furniture and fixtures, $5,000.00; real estate, $68,-917.50; three bank buildings, $12,500.00; and the court claiming that it will retain jurisdiction of said assets, while, as a matter of fact, and of law, the court can have and will have no jurisdiction over property, the title of which is vested in a going bank — was in receivership or liquidation, and that in law and in fact there will be nothing to prevent the disposing of said property by the new bank, after title is vested in said bank, regardless of the courts wishes or views.

XI. For the further reason it is proposed in the reorganization plan as follows:

"After the reopened bank is functioning it will be necessary for the new bank to purchase the furniture and fixtures at a price to be agreed upon and approved by the court, and the purchase price above $5,000.00 will go into

the pool for the benefit of the deferred portion of the deposits,"

when in truth and in fact the title to said property will have already invested in the said reopened bank, and if this scheme is carried out, it will eliminate competition in the disposing of the assets of the Peoples Bank and Trust Company in liquidation, and especially of the bank buildings and fixtures, and will result in a disposing of said property to the re-opened bank at a nominal price, whereas, objectors are informed and believe that the one bank build- [fol. 62] ing and fixtures in the town of Tupelo can now be disposed of at a cash price of $30,000.00, a sum greatly in excess of any sum that will ever be received from the reopened bank should it carry out the original plan, inasmuch as it would be violative of the law of the state for the said reopened bank to invest such a sum and percentage of its capital stock in a bank building in a town or city the size of Tupelo.

X. Because it is proposed in said plan for the new bank to charge a flat rate of ten per cent on all sums collected of the assets in the so-called trust fund, regardless of the expense or trouble tha- may be necessarily incurred in making such collections.

XI. It is unjust for the further reason that it is proposed to turn over to said reopened bank more than $425,000.00 of real estate for no consideration whatever and without any income or profits to be derived therefrom by the depositors, as shown from the following paragraph of the proposed plan:

"It is further contemplated that all rents and income coming from this real estate is to go into the reopened bank, as long as the reopened bank carries a real estate account on their books,"

and that it is proposed by the new bank to use the bank building and fixtures without paying any rent therefor to the depositors or creditors.

XII. It is not to the best interest of the depositors for the prayer of said petition to be granted, for the reason that as shown by the petition, there were over five thousand depositors in the failed bank and by reason of and on ac-

count of said failed bank, through mismanagement, reckless loans and loans made contrary to law to its officers, directors and kin-folks, etc., said failed bank is in such bad repute throughout the district in which it did business, which was a large district, that no reorganized bank springing from the old bank can ever have the confidence, faith and trust of the people, and will never be able to carry on any banking business profitably or successfully.

[fol. 63] XIII. It is further unfair and unjust for the reason that said Peoples Bank and Trust Company has been in liquidation nearly two and one half years and the depositors have paid the expenses that have been incurred in paying off correspondent banks and getting the assets of said bank back into the hands of the liquidating agent and from this date the expenses of such liquidation only such as are incurred that would be reasonable and necessary would be small, for the reason that all of the assets of the said bank belonging to the depositors are now in the hands of the liquidating agent and there is no chance for them to be sacrificed by pledgees or other creditors, and there has been paid prior to M-y 1, 1933, out of the funds of the depositors for the protection and preservation of the assets of the defunct bank, the sum of $109,855.87 for which said depositors will derive no benefit, other than a five per cent cash dividend to be paid out of the funds now on hand, belonging to them, and the possibility of receiving 20% if and when realized from the assets of the old bank by the new bank.

XIV. Objectors further show to the court that Chapter 251 of the Laws of Mississippi, 1932, is unconstitutional and void, and violative of the state and federal constitution, in that it provides for no notice of a hearing, and further that this court is without jurisdiction under any statute now existing in the state of Mississippi, providing for the fixing of a time, the issuing of process, and the hearing and determining of this cause in vacation, without the consent of all parties interest, and objectors here and now object to the hearing of this cause in vacation, and while objectors insist that such chapter is unconstitutional and void, if they are mistaken as to the constitutionality of said Section, still the plan proposed is in direct conflict with Section III of said Chapter, which is as follows:

[fol. 64] "That this act shall not be construed to give the Superintendent of Banks the right to diminish the assets of a closed bank to the prejudice of the depositors and creditors thereof, and any assets that may be charged as out as doubtful, or as losses, shall be held by the bank and collected for the benefit of its depositors and creditors, and all amounts so collected shall be held by the bank to be paid by them in accordance for the agreement of the repayment of their deposits and claims",

and the proposed plan now submitted to the court provides for the diminishing of the assets and the absolute transfer of several hundred thousand dollars of the assets of said bank, without any consideration whatever therefor, and does not provide for the prosecution of any meritorious claims that may exist against the officers and directors for the negligent, careless, or unlawful handling of the original bank's affairs, or the prosecution and recovery of any claims to which the depositors may be entitled against the various surety companies for and on account of liability, on account of the illegal acts of the officers and directors of said bank.

XV. Objectors would show to the court that they never agreed to anything about the reopening of said bank, and have never had anything to do with any of the depositors meetings and committees and that they deny that 75 per cent of the amount of the claims of the depositors against said bank, such as are required by law, have signed any such agreement freely and voluntarily, but charge and aver if the same is so signed that inducements and special agreements have been made with a sufficient number of those signing the same, in order to induce them so to do, as to render said agreement unlawful, irregular, and of no force, because without such signatures there would not be a sufficient number of signers as provided for by said Chapter 251, Acts of 1932.

XVI. They deny that such closed bank will be solvent under the terms of the reopening plan, and can operate with safety to the depositors and the public, and deny that the depositors will realize more by the said reopening plan [fol. 65] on their said deposit, than they would if the affairs of the bank had been continued in liquidation, and its busi-

ness worked out in an economical, honest and faithful effort to make settlement with its depositors.

XVII. Objectors further show to the court that no statute in the State of Mississippi authorizing the Superintendent of Banks or for this court to appoint a bank as liquidating agent, or to surrender the assets of a bank in liquidation to a reorganized bank to be administered on any terms or conditions, much less on the terms and conditions proposed in the plan now submitted; that the statute provides that a liquidating agent shall be appointed, and it is further provided for in Section 3766, of the Code of Mississippi, 1930, that the Superintendent of Banks shall employ a suitable and competent person to be General Attorney and the Superintendent of Banks has appointed a general attorney for the banking department, and Section 3767, Code of 1930, provides that the attorney employed under the provisions of the foregoing section shall do all the legal work necessary in the liquidation of the bank hereafter put into liquidation under the laws of the State of Mississippi.

XVIII. Objectors further show that by the proposed plan, no provision is made for carrying of — or other security for the faithful accounting of the assets or the faithful handling thereof, and for the making of any accounting or accounts to the court or the stockholders of said assets.

XIX. Objectors further show to the court that the proposed plan is inequitabe, unjust and unauthorized by law and results in impairing the obligation and contracts of your objectors and other depositors similarly situated in depriving them of their propery without due process of law or without compensation first having been made therefor, and they deny that they or any of the depositors, other than the stockholders in the new bank, will profit by the reopen- [fol. 66] ing of the proposed new bank.

XX. Objectors further show and charge the act to be that neither the Superintendent of Banks nor this court has any authority by law to remit or relieve stockholders their liabilitiy on account of stock in insolvent banks.

XXI. Objectors, G. C. and S. Mabry upon their own behalf respectfully show that they are entitled to have and receive as a preference claim out of the assets of the

Peoples Bank and Trust Company in liquidation the sum of $——, with six per cent therein from the 24th day of December, 1930, until the day of payment which sum they ask to be decreed as a preference claim against the assets of said bank.

XXII. In the proposed plan nothing is said about what disposition is to be made of the percentage to which the depositors of the Peoples Bank in liquidation are entitled to receive from the deposits protective fund which objectors are informed will be from two to five per cent of the total deposits and that under the proposed plan they will be deprived of the benefit of this fund, for the benefit of the reopened bank.

XXIII. Objectors would further show that they have requested a statement showing the notes, accounts, etc., to be placed in the pool for the benefit of depositors, but this list has not been funished by proponents, and neither has a list showing receipts and disbursements of the bank in liquidation, and expenses of liquidation, all of which was requested to be furnished and which the court ordered proponents to furnish to objectors, and objectors reserve unto themselves all rights to which they are entitled and waive nothing thereby, or by the filing of these objections, and again demand that they be furnished the information heretofore requested and which demand was approved by the court.

[fol. 67] And, objectors therefore pray that said petition be dismissed and the prayer thereof be denied.

(Signed) E. C. Sharp, (Signed) Rush H. Knox, (Signed) C. P. & S. H. Long, (Signed) Geo. T. & Chas. S. Mitchell, Solicitors for Objectors.

[fol. 68] In Chancery Court of Lee County

No. 6583

In the Matter of the Liquidation of Peoples Bank & Trust Company, of Tupelo, Mississippi, by J. S. Love, Superintendent of Banks

Decree Authorizing the Reopening of the Bank

This cause came on to be heard before the Chancellor in vacation on the 15th day of May, 1933, on the verified peti-

tion of J. S. Love, Superintendent of Banks of the State of Mississippi, in charge of the Peoples Bank & Trust Company, of Tupelo, Mississippi, in liquidation, outlining a plan for the reopening of the Peoples Bank & Trust Company, and praying for the approval of the Court for such plan for the reopening of said Peoples Bank & Trust Company; and also on decree heretofore rendered in this cause on May 4, 1933, setting the hearing for said May 15th, 1933, and directing the publishing of notice of said hearing to all depositors, creditors and other parties in interest, commanding them to appear on said May 15, 1933, to show cause why the prayer of the petition should not be granted; and also directing that certain parties named in the decree be summoned as representatives of the depositors and creditors as a class; proof of publication of said notice to depositors and creditors in the Tupelo Journal, a weekly newspaper published in the City of Tupelo, Lee County, Mississippi, on May 5th, 1933, May 9th, 1933, and May 12th, 1933, which proof of publication is filed in this cause; also upon service of process having been duly made upon each of the parties directed in the decree to be summoned as [fol. 69] representatives of the depositors and creditors as a class; and also upon petition of Dr. R. W. Carruth et al., being the Depositors Committee selected by the depositors in the Peoples Bank & Trust Company, and having acted as such since the closing of the bank, asking for the granting of the prayer of the petition of said Superintendent of Banks; also upon the objections filed by Mrs. Oscar C. Doty, J. S. Wesson, and Mrs. Nannie McCarty, R. D. Jackson, Mrs. Bessie Williams King, G. C. and S. Mabry, and Mrs. J. W. Brown; also Mrs. Birdie Lowry Dunn (nee McCord); also Lamar Williams and L. L. Bethay; and proof before the court; and the hearing of the matter was begun on said date and continued from day to day until the date of the signing of this decree, and upon the hearing of the matter permission of the court was given for the consolidation of the objections of G. C. and S. Mabry, Mrs. J. W. Brown, J. S. Wesson, Mrs. Oscar C. Doty and Mrs. Nannie McCarty; and the respondents, R. D. Jackson and Mrs. R. A. King, were permitted upon motion to join therein; and likewise upon motion of the objectors for more specific information, the petitioner filed a supplement to the original petition, giving the information in the schedules therein

contained, each of the parties filing objections being represented by attorney, and the court proceeded with the hearing of the matter, and evidence in support of the petition was presented to the court and opportunity was afforded to all parties to present evidence in support of their objections, the objectors offering none.

And thereafter the objectors G. C. and S. Mabry electing to withdraw their objection to the re-opening and refile their claim before the court as a petition for preference to be heard as a separate matter; and the objector Mrs. J. W. Brown withdrawing her objection; and likewise thereafter the objectors J. S. Wesson, R. D. Jackson and Mrs. Bessie [fol. 70] Williams King withdrawing their objections to the granting of said petition; and the court having considered the matter, and being of the opinion that the plan for the re-opening of the Peoples Bank & Trust Company as submitted by the petition of the Superintendent of Banks, and the supplement thereto, and as disclosed by the evidence produced before the Chancellor on this hearing, is just and equitable; and that the interest of the depositors, creditors and other parties in interest will be best promoted by the reopening of said bank in accordance with the plan as hereinafter decreed; and it further appearing to the court that said plan has the approval of the Superintendent of Banks of the State of Mississippi, it is therefore ordered by the court that the objections of Mrs. O. C. Doty, Mrs. Birdie Lowry McCord Dunn, Lamar Williams, L. L. Bethay and Mrs. Nannie McCarty are hereby overruled, and that the prayer of the petition seeking authority to reopen Peoples Bank & Trust Company be and the same is hereby granted.

1. It appearing to the court that a freezing-of-deposits agreement has been entered into with the depositors and creditors of said bank holding in excess of 75% in the amount of deposits and claims against said bank in accordance with the terms of the depositors agreement, copy of which is attached to the original petition as "Exhibit" and that said depositors and creditors have made said agreement in writing, duly signed by them, by the terms of which said agreement said depositors and creditors have agreed to reduce the deposits and claims due to them to 25% of the amount thereof, and have agreed to accept payment of said 25% of their deposits and claims as follows:

(a) 5 per cent of the original amount on the date of re-opening.

[fol. 71] (b) Balance to be paid in installments whenever collections have been made from the assets taken over from the closed bank shall equal 5 per cent of the present outstanding deposits. All deferred payments to be without interest.

And the remaining 75% of the deposits and claims now due to said depositors and creditors is to be charged out of the books of the bank as liabilities of the Peoples Bank & Trust Company, and is to be carried in a separate account for participation in certain assets of Peoples Bank & Trust Company, also to be charged off of the books, as hereinafter set forth.

And it further appearing to the court that under the general law passed by the Legislature of Mississippi at the 1932 session thereof, providing for the reopening of closed banks, it was provided that—upon agreement to freeze deposits signed by depositors and creditors holding claims against such closed bank in amount of 75% thereof—said freezing-of-deposits agreement should be binding upon all depositors and creditors of said bank, except those that have preferred deposits and claims, and that the required percentage of depositors and creditors in Peoples Bank & Trust Company have signed said freezing agreement, copy of which is attached to the petition as "Exhibit 2", and that by operation of law said agreement becomes effective as to all depositors and common creditors of said bank upon the reopening of said bank, with the approval of the Superintendent of Banks and the Chancery Court; it is hereby adjudged by the court that said conditions as provided in said law have been complied with in this cause, and that said bank upon reopening is entitled to deal with all depositors and creditors according to the terms of said depositors agreement, which has been signed by holders of in excess of 75% thereof.

[fol. 72] And it further appearing to the court, acting for all depositors and creditors of said bank as a whole, and after inquiry into said matter, and hearing of evidence relative thereto, and giving to all parties an opportunity to show cause why the same should not be done, that it is to

the best interest of all depositors and creditors of the Peoples Bank & Trust Company that their claims against said bank shall be reduced in accordance with said depositors agreement to 25% of the amount thereof; as against the bank which is herein authorized to re-open, and to be paid in accordance with the terms as herein set out, and that 75% of the amount of their claims and deposits be charged off of said deposits and claims and to be no longer a liability of the bank, which is to be re-opened, but is to be a charge against certain assets hereinafter provided to be charged out of the bank now in liquidation, and to be in what is termed the pool, to be handled in trust for the benefit of the said 75% of such depositors' and creditors' claims; and it also appearing to the court, after hearing the evidence and fully considering the plan proposed, that the depositors and creditors will realize a greater percentage on their claims under said reopening plan than would be realized by a continuance of the liquidation of said bank;

It is therefore ordered that, upon the re-opening of the Peoples Bank & Trust Company, it shall assume liability to its present depositors and creditors for 25% of the amount thereof, in cash to be available upon the date of reopening, and the remaining 20% as collected from assets herein provided to be placed in the reopened bank, whenever such collections shall equal 5% of the present outstanding deposits and claims, and the court directs that these payments of 5% shall be made as rapidly as collections may be reasonable made from such assets, and reserves to itself the right to inquire into the progress being made in the payment [fol. 73] of said remaining 20%, and enter such further orders directing the payment thereof as to the Court may seem to the best interest of the depositors and creditors of the Peoples Bank & Trust Company (except such as have been or may be adjudged to be preferred) be and they are hereby reduced to 25% of the present amount thereof, insofar as they are to be claims against the re-opened bank, but the 75% hereby charged off shall be a charge only against what is hereinafter termed pool assets.

It further appearing to the court that there are a large number of deposits in said bank for small amounts being $5.00 and less, to-wit:

3399	Checking Accounts, aggregating	$2,633.60
718	Savings Accounts, aggregating	$1,016.27

and that it would be more economical for all interested parties that said accounts should be paid in full, rather than to continue to carry them on the books of the bank and incur the expense of handling the same; it is therefore ordered by the Court as being to the best interest of all parties in interest that all of said accounts be made available in full, and thereby save the expense of calculating the percentage on each of the four thousand one hundred and seventeen of such small accounts and performing the necessary detail work in connection therewith, and the bank, when reopened, is hereby directed so to do.

2. It further appearing to the court that under the plan for the re-opening of said bank certain assets are to be set-over into the re-opened bank for the payment of the 25% of deposits and claims to be assumed by the reopened bank, and that a statement of such assets is attached to the original petition as "Exhibit 5"; which statement is further amplified by the supplemental exhibits filed thereto, and it appearing to the court that such statement, together with [fol. 74] the supplement explanatory thereof, is reasonable and just to all parties, and should be approved, it is therefore ordered as follows:

That "Exhibit 5" to the petition and scheduled explanatory thereof as shown by the supplement to the petition and which are headed as follows:

(a) Loans and discounts carried in the reopened bank;
(b) List of bonds held by Peoples Bank & Trust Company in which an equity is held for the pool assets;
(c) List of stock held by reopened bank in which there is an equity due pool assets;
(d) List of real estate held by the reopened bank in which there is an equity due the pool assets;

be recorded by the clerk on the minutes of this court immediately following the recordation of this decree.

It is ordered that the bills receivable listed in the supplement to the petition as "Loans and Discounts Carried in the Re-Opened Bank", the face value of which as carried on the books of the liquidation is $472,722.01, to which amount is to be added secured notes given on account of capital structure, $19,186.44, making a total of $491,708.45, which

are to be carried on the books of the re-opened bank as $216,892.08, and from which the re-opened bank is to collect the sum of $216,892.08, principal sum, and when so collected the remainder of said loans and discounts, and the balance due thereon, are to be transferred to the pool, to be held for the benefit of the 75% of deposits and claims charged off.

It is further ordered that bonds which are carried on the books of the liquidation at this time as $79,599.15, as shown by list of bonds which is included in the supplement to the original petition, headed "List of Bonds Held by Peoples [fol. 75] Bank & Trust Company in Which an Equity is Held for the Pool Assets," to which amount is to be added bonds aggregating $2,011.00, after giving effect to capital structure will give a total bond account aggregating $81,-610.15, which bonds are to be carried on the books of the re-opened bank as $50,000.00, from which bonds the re-opened bank is to collect the principal sum of $50,000.00, and the balance remaining after collection of said principal sum is to be transferred to the pool assets.

It is further ordered that over-drafts shown on the statement in "Exhibit 5" amount to $4,101.94, an itemized list of which is set out in the supplement to the original petition herein, is to be carried into the re-opened bank at said sum, there being no equity therein for the pool.

It is further ordered that the list of stocks and bonds set out in the supplement to the petition, which totals #37,468.60 shall be carried into the re-opened bank, and out of which the re-opened bank is to collect $7,500.00 principal sum, and after the collection of which the remainder is to be transferred to the pool.

It is further ordered that the furniture and fixtures of Peoples Bank & Trust Company at Tupelo, Nettleton and Rienzi, carried on the books of the liquidation as $20,000.00, shall be carried into the re-opened bank for the sum of $5,000.00, with the provision that all realized therefrom over and above said $5,000.00 shall be the property of the pool.

It is further ordered that the real estate as listed in the supplement to the petition, which is now being carried on the books of the liquidation at $372,62[illegible], to which amount there is to be added, after giving effect to the creation of the capital structure, $3,100.00, making a total real estate account of $375,723.86, which is to be carried into the re-

[fol. 76] opened bank at the sum of $68,917.50 *into the re-opened bank*, shall be paid into the pool.

It is further ordered that the three (3) bank buildings now owned by the bank in liquidation, to-wit, at Tupelo, Nettleton and Rienzi, which bank buildings are being carried on the books of the liquidation at $55,000.00, shall be carried into the reopened bank for the sum of $12,500.00, and all sums above said $12,500.00 to be realized therefrom shall be paid into the pool, for the benefit of the deposits and claims charged off.

It is further ordered that after the reopened bank shall have paid to its depositors and creditors the 25% assumed by it, that it shall make settlement with this Court for such equity in the furniture and fixtures and bank buildings as may appear to the court to be therein, for the benefit of the pool assets, with reservation to the Court of the right to direct the sale thereof, should the bank decline to pay the amount of equity fixed by the court.

It is further ordered that, with reference to the bank buildings and the furniture and fixtures, if, prior to the final payment of the 25% assumed by the bank upon re-opening, there shall be a bona fide offer for the purchase of any of said buildings or the furniture and fixtures, with reasonable guaranty of payment of such offer, then the re-opened bank is to either purchase said property for said price offered, or else sell the same for such offer, with the approval of this court, and pay the proceeds thereof over and above the $12,500.00 for bank buildings and the $5,000.00 for furniture and fixtures, into the pool, for the benefit of the depositors and creditors interested therein.

It is further ordered by the court that there shall be set over into the re-opened bank the cash on hand at the time of [fol. 77] re-opening, as of statement of May 1st, 1933, of the liquidation, which shows as follows:

In the Bank of Tupelo, Tupelo, Mississippi	$4,808.42
In the Bank of Shannon, Shannon, Mississippi	5,611.08
In Deposit Guaranty Bank & Trust Company, Jackson, Mississippi	12,493.52
First National Bank, Jackson, Mississippi	223.64
Merchants Bank & Trust Company, Jackson, Mississippi	7,021.46
Bank of Commerce, New Albany, Mississippi,	

Dividend Account No. 1		31,967.96
Bank of Shannon, Shannon, Mississippi, Stockholders' Liability—Special Account		7.50
Bank of Tupelo, Tupelo, Mississippi, Stockholders' Liability—Special Account		24,576.19
Bank of Commerce, New Albany, Mississippi, Stockholders' Liability—Special Account		3,007.50
Total as of Statement of May 1st, 1933		$89,717.27
From the above amounts the following accounts are to be eliminated:		
First National Bank, Jackson, Mississippi, account ..... which is to carried as an asset of the pool.	$223.64	
From the account of Bank of Shannon ..... which amount is also to be car- as an asset of the pool.	2,611.08	
Both of which are provided for in "Exhibit 4" to the petition and which to into the "pool" assets.		
From the Special Stockholders' Liability Account	$10,905.19	
Making a total of		$13,739.91
Leaving		$75,977.36
Cash carried into the re-opened bank from the liquidation, to which is to be added as follows:		
[fol. 78] Cash held in trust account of creation of capital stock structure		14,016.56
Cash collection account Union Planters National Bank & Trust Company, Collateral Notes, held as a Special Reserve Fund		12,309.06
Making a total cash account carried into the books of the re-opened bank, as shown by "Exhibit 5" to the original petition		102,302.98

which statement is permitted to be reconciled with any changes there have been therein since the statement of May 1st, 1933, which is attached to the original petition.

It is further ordered that such deposits in said banks be paid over by said banks to the re-opened Peoples Bank & Trust Company, said funds being hereby adjudged to be preference funds in said respective banks, to be paid at once, and this decree shall be the warrant and authority for said banks to pay over said funds to the Peoples Bank & Trust Company when re-opened, and take its receipt therefor in release thereof.

It is further ordered by the Court with reference to such assets as are hereinabove directed to be set over into the re-opened bank, that the reopened bank is to have the interest collected on said notes and bonds up until the time when it shall have received the full principal sum for which said notes and bonds are taken into the re-opened bank, but is to make no other charge for the collection and liquidation of the same while in its hands as assets of the re-opened bank.

As to the stocks and bonds taken into the reopened bank, it is ordered that it shall receive all dividends and earnings therefrom. It is further ordered that when the re-opened [fol. 79] bank shall have realized the sum of $7,500.00 from the sale of any portion of said stocks and bonds that the remainder of said stocks and bonds shall be transferred into the pool, and handled in the same manner as other pool assets.

As to the real estate taken into the re-opened bank it is ordered that the re-opened bank is to receive all rents, issues and earnings therefrom, and that the re-opened bank is to pay taxes, insurance and up-keep of said property, and that this arrangement is to continue until the re-opened bank has realized from the sale of any part of said real estate the sum of $68,917.50, the balance of said real estate, after this amount has been realized from the sale thereof, is to be transferred into the pool, and handled in the same manner as other pool assets.

The re-opened bank is not to receive any commission from the sale of said real estate, stocks or bonds, nor shall it sell any of said real estate, stocks or bonds in which the pool has an interest without the approval of this court.

It is further ordered that as to the notes taken into the re-opened bank in which the pool has any interest, it shall not settle same for less than the principal balance due thereon, without the approval of this court.

It is further ordered that in return for the receipt of the above assets to be set over into the reopened bank, the re-opened bank shall assume liability for 25% of the principal amount of its common deposits and claims, including outstanding drafts and cashier's checks, plus liability for payment of all deposits of $5.00 and under in full, which liability is to be paid according to the terms of the freezing agreement hereinabove set out, to-wit:

Demand Deposits account	$79,566.24
Demand Cashier's Checks Account	247.97
Demand Outstanding Drafts Account	3,039.95
Demand Common Claims Account	43.39

[fol. 80] which amounts represent the 5% of said accounts which are to be made available upon re-opening, plus the small accounts of $5.00 and under, and such preferred claims as have been directed to be paid by this Court, and from which no appeal has been prosecuted.

The re-opened bank is to assume liability for the payment of deferred deposits and claims as follows:

Deposits	$258,683.69
Cashier's Checks	991.47
Drafts Outstanding	12,159.08
Common Claims	173.65

which deferred deposits and claims are the remaining 20% assumed; and are to be paid as collections are made out of the assets as above directed to be set over in the re-opened bank, and as provided by the freezing-of-deposits agreement.

And it further appearing to the court that after the setting over into the re-opened bank of the above assets for the payment of the 25% of deposits and claims assumed by said re-opened bank, there will remain other assets of said bank now in liquidation which are to be held for the benefit of the claims of depositors and creditors which are not to be assumed as a liability by the re-opened bank, such assets to be held in trust as a pool, statement of which assets and the liabilities against the same being attached to the

original petition as "Exhibit 4"; and itemized statement of each of the items in said statement being shown in the schedules in the supplement to the original petition;

It is therefore ordered that all of said assets as shown in the statement on "Exhibit 4", and the schedules explanatory thereof, be held by the re-opened bank in trust for the benefit of the depositors and creditors to the extent of the 75% of whose claims are not being assumed as a liability by the re-opened bank, and that said items of assets as shown in statement on "Exhibit 4" be charged out of the present statement of the liquidation.

[fol. 81] It is likewise ordered that there be charged as liabilities against said assets the 75% of deposits and claims, including Cashier's checks, outstanding drafts and common claims which are not to be assumed as a liability of the re-opened bank, and it is directed that the re-opened bank shall receive in trust for the separate account of the 75% of deposits, outstanding drafts, Cashier's checks and other claims charged off as above provided, the assets as referred to in the statement marked "Exhibit 4" to the petition, and to administer the same in trust, under the jurisdiction of the Chancery Court of Lee County, Mississippi;

And said re-opened bank is hereby directed to file an inventory of such assets in the Chancery Court of Lee County, Mississippi, and submit itself to the jurisdiction of said Court for the handling of the same in trust; and also to file with said inventory a list of the depositors and creditors who are entitled to participate in said assets, and the amount of their claims, as basis for their participation, being for the 75% of their deposits and claims charged off, and the said re-opened bank is hereby granted until July 1st, 1933, as the time within which to file said inventory, acknowledgment of trust and list of beneficiaries therein. The legal title to the assets above referred to is to be held in trust by The Peoples Bank & Trust Company, with the right in it to take all necessary steps for the collection thereof in the converting of same into cash, and there shall be no liability upon the part of persons dealing with it relative thereto to see to the proper application of the proceeds thereof, and the only obligation relative thereto shall be upon the Peoples Bank & Trust Company for accounting for the proper application of said trust; the right of

the bank to deal with said assets to be free and unrestricted, except as hereinabove provided for the sale of real estate, [fol. 82] or the settlement of any notes or bonds for less than the principal balance due thereon.

It is further ordered that as to the assets held in the pool in trust for depositors and creditors, the said bank shall annually report to this court of its handling of same. It is further ordered by the court that for the handling and collection of said assets which are held in the pool, the said bank is to receive for its expense and compensation in handling same the sum of 10% of all amounts collected on said notes and bills receivable; and also the issues and profits from any of said property, but is not to receive 10% of any amounts received from the sale of real estate, stocks or bonds belonging to the pool.

It is further provided that in addition to the 10%, the bank is also to be re-imbursed for any attorney's fees and court costs which may properly have been expended with reference to the collection of said notes and bills receivable, or with reference to the preservation and protection of any of said properties, said attorney's fees and court costs to be approved by this court.

It is further ordered that all repairs and expenses incurred in the preservation of the property taken into the pool occasioned by acts beyond the control of the reopened bank shall be charg-able against the assets of the pool.

The Superintendent of Banks of the State of Mississippi is hereby appointed the agent of this court for the purpose of supervising said trust, and he shall require the Peoples Bank & Trust Company to make annual account of said trust to the Chancery Court of Lee County, Mississippi, and shall have the right to examine said trust fund and assets, and is hereby invested with authority to act in said matter for the benefit of the depositors and creditors inter- [fol. 83] ested therein, in requiring all things to be done that may be necessary for the safeguarding of their interests.

It further appearing to the court that in the proposed statement for the re-opening of the Peoples Bank & Trust Company as shown by "Exhibit 5," there is carried in the liabilities an item designated as Special Reserve, $12,309.06, and that this fund is being held on account of some suits that are pending or threatened against the Union Planters

National Bank & Trust Company, of Memphis, Tennessee, on account of claims growing out of transactions through said Union Planters National Bank & Trust Company with the Peoples Bank & Trust Company, wherein said claimants are seeking to hold liable therefor said Union Planters National Bank & Trust Company, and the Union Planters National Bank & Trust Company after the bills payable due to it by the Peoples Bank & Trust Company had been paid in full has continued to hold said collateral, under its collateral agreement, to indemnify it against loss on account of said suits, or threatened suits, and that said suits or claims are indirectly claims against the Peoples Bank & Trust Company, which if they shall have to be paid by the said Union Planters National Bank & Trust Company, will be a charge upon the assets of the Peoples Bank & Trust Company;

It is therefore ordered that the re-opened bank be permitted to carry as a special reserve against said claims through the Union Planters National Bank & Trust Company, the said sum of $12,309.06, as set up in the statement, and to provide for which the amounts carried in the assets of the re-opened bank have been increased to that extent, and it is ordered that there be a charge against the assets carried into the re-opened bank for the benefit of the pool of such amounts as may remain in said Special Reserve of [fol. 84] $12,309.06, after the payment of such amount as may be required to indemnify the said Union Planters National Bank & Trust Company, for loss on account of said suits or claims, and for which it has been holding collateral of the Peoples Bank & Trust Company in liquidation.

It further appearing to the court that there has been filed in this court certain claims for preference as against the bank in liquidation, and which have not been finally adjudicated and that said claims can only be considered as not being preferred claims in the re-opened bank until their preferred character has been finally established; it is therefore ordered by the court that the re-opening of the bank proceed as if said claims were not preferred claims, and the court hereby retains jurisdiction over all of said claims for preference to be determined by it, and directs that as to such claims as it may hereafter adjudge to be preferred claims and direct that the bank pay the same in full, that the reopened bank be reimbursed as a prior claim

against the assets going into the pool for such amount as may be adjudged by this court to be due over and above the amount which is assumed by said re-opened bank on said claims as being common claims.

It is further ordered that the Superintendent of Banks continue to litigate said claims in this court as if the bank were still in liquidation, and the court retains jurisdiction over the determination thereof as heretofore.

It appearing to the court that there has heretofore been litigated before this court the claim of J. C. Williams Lumber Company and Vina Banking Company for a preference against the assets of the bank in liquidation, and this court has rendered a decree on the 14th day of January, 1933, adjudging the same to be a preference for the sum of $2,631.02, and the Superintendent of Banks desiring an [fol. 85] appeal therefrom to the Supreme Court of the State of Mississippi, and the same being undetermined, it is ordered by the court that the re-opened bank assume at this time liability for said claim only as a non-preferred claim, and if the same shall be adjudged by the Supreme Court to be a preferred claim then that the re-opened bank have a claim as above provided against the assets of the pool for the amount thereof over and above the amount assumed as a common claim.

It is further ordered that this appeal to the Supreme Court on this claim be prosecuted in the name of the Superintendent of Banks, and as such he is authorized to prosecute said appeal as a public officer with supersedeas, without being required to give bond, the assets of the pool being held therefor for the amount due over and above the amount due thereon as a common claim.

It further appearing to the court that shortly after the closing of the bank for liquidation due notice was given as required by law to all parties directing them to file their claims with the Superintendent of Banks in charge of the liquidation of Peoples Bank & Trust Company; it is therefore ordered that as to all claims not heretofore filed the same shall be considered as forever barred, and shall not be a liability against either the pool nor the re-opened bank, and that all claims now pending for deposits or otherwise upon which no petition has yet been filed to have the same adjudged a preference, that the ame shall be considered and hereby declared to be common claims, to share on the

same basis of all other general depositors and creditors of the bank. The bank of Tupelo having heretofore notified the Liquidating Agent of their intention to file a claim for preference for not exceeding $6,708.25 the right on its part to file such claim is hereby expressly granted and reserved. [fol. 86] It further appearing to the court that at the time of the closing of the Peoples Bank & Trust Company for liquidation, it had a capital stock of $200,000.00, and that by the terms of the depositors agreement which has been signed by the holders of in excess of 75% of the deposits and claims of said bank, it is provided that the bank might be re-opened with capital of not less than $35,000.00 fully paid in cash, and that in consideration of the benefits to accrue from the re-opening of the bank to the depositors and creditors, that such of the stockholders as shall pay in cash to provide the capital for the re-opened bank 50% of the amount of their stock in the Peoples Bank & Trust Company at closing, shall be relieved and released from further liability to the depositors as such stockholders, but that such stockholders as do not pay the 50% into the capital of the new bank shall remain liable for the full amount of their stock liability, which shall become part of the assets known as the pool; and it appearing to the court from the testimony before the court that holders of more than 75% of the deposits in said bank have agreed to said provision; and further that the depositors will realize more out of the assets of the bank in liquidation by the re-opening of the bank under the plan as outlined in the petition than they would from the continuance of it in liquidation, and that it is to the best interest of the depositors that this provision of the depositors agreement be carried out and such of the stockholders as shall pay in cash to become stockholders in the re-opened bank 50% of the amount of their stock in the bank at the time of the closing, and thereby becoming liable under the statute for a like amount for the payment of the liabilities assumed, shall be relieved and released from further liability on account of their having been stockholders in the bank at the time of the closing thereof. And the court finding from the evidence that much stock has been provided in this way from whom collections could not probably be had under a judgment, and [fol. 87] that it is to the best interest of the depositors that said bank re-open rather than to undertake to pursue the

claim for stock liability against such as have provided new assets as capital for the re-opened bank: and it further appearing to the court that subscriptions have been had and that new assets in providing for capital stock to the extent of $55,000.00 is in hand to provide the capital for the re-opened bank, upon its authorization so to do by this court, it is hereby ordered by the court that such of the stockholders in the Peoples Bank & Trust Companny at the time it closed for liquidation as shall pay into the re-opened bank to provide capital therefor, to the extent of $55,000.00, on the re-opening thereof shall be released from further liability as stockholders in the bank at the time it closed for liquidation, but nothing herein is to be construed as relieving them of their statutory liability for the amount of capital which they provide for the re-opened bank, and which statutory liability is to include not only the deposits which shall hereafter be received into the bank when re-opened, but also the 25% of deposits which are assumed as a liability by the re-opened bank.

It further appearing to the court that some of the stockholders in the Peoples Bank & Trust Company when it closed for liquidation have heretofore paid into the hands of the Superintendent of Banks in charge of the liquidation thereof more than 50% of the amount of their stock, and he has collected from said stockholders $9,765.17 more than the 50% of their original stock, and that under the above arrangement for the providing of capital stock for the re-opened bank, those who pay into the capital stock 50% of their stock in the bank at the time of its closing are released from further liability; it is therefore ordered that the Superintendent of Banks be and he is hereby directed to return to such of the stockholders as have paid to him more than 50% of their stock liability such amounts [fol. 88] as he may have received above said 50%.

It further appearing to the court that as to a number of stockholders, judgments have been heretofore rendered and enrolled but have not been collected, the Superintendent of Banks is hereby authorized to cancel such judgments as have been rendered against stockholders who shall have paid 50% into the re-opened bank to provide capital therefor. He is likewise authorized to release to such stockholders as have provided capital for the reopened bank to the extent of 50% of their original stock, any securities he

may have taken from such stockholders to secure the payment of their statutory liability.

The above provisions of this decree are entered because of the finding of the court that it is to the best interest of all of the depositors that the same be done, and it appears that more will be realized for them thereby.

It appearing to the court that all stockholders have been notified of this plan for the re-opening of the bank and the providing of new capital stock, and given an opportunity to avail themselves of it, and that stockholders holding stock of the face value of $90,000.00 as of the date of the closing of the bank for liquidation have not elected to provide new assets for the capital of the re-opened bank, and only such as should do so being agreed to be released, by the depositors agreement; it is therefore ordered that as to such stockholders as have not provided 50% of the original of the amount of their former stock as new assets for the re-opened bank, shall remain liable for their double statutory liability, and such judgments as shall have been, or shall be rendered against said stockholders, and the amounts collected thereon, shall become assets of the pool for the benefit of the depositors who participate therein to the extent of 75% of their present deposits.

[fol. 89] It further appearing to the court that an amendment has been had to the Charter of Incorporation of the Peoples Bank & Trust Company, whereby the capital stock of said corporation has been authorized to be reduced from $200,000.00 to $55,000.00, and that the full amount of the capital of the bank at the time it closed for liquidation has been consumed, and that it has been determined by the Superintendent of Banks that the interest of all old stockholders at the time the Peoples Bank & Trust Company closed for liquidation has been consumed; and further that they have been called on for their statutory double liability, and that the old certificates of stock should be cancelled, it is therefore ordered that all certificates of stock heretofore issued be and the same are hereby directed to be cancelled, and surrendered to the proper officer of the corporation, and that the capital of the corporation shall henceforth be only such amount as has been paid in as new assets, and that all old stockholders who have not provided the assets for new capital stock, are declared to have no interest in the assets of the corporation.

It further appearing to the court that under the amendment to the Charter of incorporation of Peoples Bank & Trust Company, the name of the corporation has been changed to The Peoples Bank & Trust Company; it is therefore ordered that said corporation shall henceforth be known as The Peoples Bank & Trust Company, and the certificates of stock in the re-opened bank shall be issued in the name of The Peoples Bank & Trust Company.

It further appearing that in the plan for re-opening it has been provided by the Superintendent of Banks under the authority granted by Section 8 of the Depositors Agreement that additional assets should be placed in the [fol. 90] re-opened bank to provide surplus to the extent of $35,000.00, and reserves to the estent of $10,00.00, with the provision that the same should be repaid into the pool out of the earnings of the re-opened bank, all earnings after the payment of expenses to the amount of $7,500.00 per year, to be paid into the pool for the repayment of said amounts so provided for surplus and reserve, without interest; and it appearing to the court that this is to the best interest of the depositors and creditors of the bank, it is therefore ordered that said plan of the Superintendent of Banks therefor, be and the same is hereby approved but with the provision that no dividends are to be paid to the stockholders in the re-opened bank until the full amount of said $45,000.00 has been paid into the pool; and also the amount of 25% of deposits and claims assumed by the bank upon re-opening has been paid in full.

It is further ordered that all assets taken over by the re-opened bank are liable for the payment of the claims of the depositors and creditors for the twenty-five per cent liability assumed by the reopened bank.

It is further ordered by the court that all expenses incurred in the liquidation of Peoples Bank & Trust Company and in the re-opening of said bank up to the date of the re-opening, shall be paid out of the assets taken into the pool, which expenses shall include the costs incurred in this cause, and in any other legal proceedings had in the liquidation, and which expenses are to be a charge against the assets taken into the pool, and should the re-opened bank pay any such expenses it is authorized to be re-imbursed therefor from the pool, and it is therefore so ordered by the court.

[fol. 91] It appearing to the court that in the plan herein outlined the Peoples Bank & Trust Company can be re-opened as a solvent banking institution, and that it will have sufficient cash upon reopening to meet the required legal reserve, and operate in the future with safety to all concerned, and that it is to the best interest of all of the depositors and creditors and other parties in interest in the Peoples Bank & Trust Company now in liquidation that it should be re-opened; it is therefore ordered that the Superintendent of Banks be and he is hereby authorized to permit The Peoples Bank & Trust Company to re-open for business and to relieve it of liability to its depositors and creditors except for the payment of the 25% of deposits and claims as are agreed to be assumed; and for the filing of the proper petition in the Chancery Court of Lee County, Mississippi, submitting itself to its jurisdiction for the handling in trust of the assets hereinabove referred to as being placed in the pool, and the Superintendent of Banks is authorized to make all necessary contracts and agreements for the purpose of carrying out the terms of this decree, and after seeing that the terms thereof have been carried out and satisfying himself that the Peoples Bank & Trust Company will be in condition to re-open according to the terms hereof, and operated in the future with safety to all concerned, said Superintendent of Banks is authorized to surrender the assets of Peoples Bank & Trust Company to its officers and directors, and to surrender its affairs into the hands of said corporation, and to authorize it to re-open for the purpose of doing a general banking business, subject only to the claims herein provided and subject to the supervision of the State Banking Department.

This decree shall be the authority of the Superintendent of Banks, and likewise V. S. Whitesides, Liquidating Agent of Peoples Bank & Trust Company, to surrender all the [fols. 92–94] assets of said bank into the hands of its officers and directors upon order so to do by the Superintendent of Banks, and upon so doing and taking the receipt of the officers of said bank therefor, and filing the same in this court, said Superintendent of Banks and Liquidating Agent, shall be fully and finally discharged in this liquidation, and each of them and his bondsmen relieved of any liabilities on account of said bond.

It is further ordered by the court that an appeal is hereby granted in open court to any of the parties objecting hereto

who may desire to appeal, but with the court reserving to itself the question of fixing the amount of supersedeas bond, should appeal with supersedeas be desired.

Ordered, adjudged and decreed in vacation, this the 17th day of May, 1933.

(Signed) James A. Finley, Chancellor.

[fol. 95] Bank Buildings in Which There is an Equity in Pooled Assets

Bank Buildings and Lots of Peoples Bank & Trust Co., Tupelo, Mississippi; Peoples Bank & Trust Company, Nettleton, Mississippi, and Peoples Bank & Trust Company, Rienzi, Mississippi, carried as a total amount before re-opening	$55,000.00
Carried into reopened bank	12,500.00
Equity in three bank buildings carried in Pooled Assets	$42,500.00

[fol. 96] Furniture and Fixtures, $5,000.00

This represents the amount set up on the books of the re-opened bank, and is to cover furniture and fixtures in the Peoples Bank & Trust Company, Tupelo, Mississippi, Rienzi, Mississippi, and Nettleton, Mississippi.

This furniture and fixtures account is carried on the books of the liquidation at $20,000.00, and in setting it up this way it simply means that $5,000.00 is the amount carried to the credit on the re-opened bank's books at a conservative value, and all equity above this amount goes into the pool when the $5,000.00 has been realized for the benefits of the depositors.

After the re-opened bank is functioning, it will be necessary for the new bank to purchase the furniture and fixtures at a price to be agreed upon and approved by the court, and the purchase price above $5,000.00 will go into the pool for the benefit of the deferred portion of the deposits.

[fol. 97] Real Estate

No. 6. Real Estate, $68,917.50

This represents the amount of all real estate carried into the books of the re-opened bank, as shown by attached schedule and statement filed.

The re-opened bank is to collect the $68,917.50 out of this real estate account, for the benefit of the re-opened bank, and the depositors in the same, and the balance is then to revert to the pool interest. This simply means that the re-opened bank has good equity or first claim of $68,917.50 in the real estate account, with the further understanding and agreement that none of this real estate is to be disposed of without the approval of the Chancery Court. This is to be paid by the re-opened bank until the $68,917.50 is realized therefrom, and then to be paid by the pool.

It is further contemplated that all rents and issues coming from this real estate is to go to the re-opened bank as long as the re-opened bank carries the real estate account on their books.

Title to all the real estate will be held by the re-opened bank, subject to claim of the depositors to receive everything that is realized from the sale of the real estate above the $68,917.50, and as the real estate is sold the Chancery Court will have to approve the price for which sold, in order that the depositors will receive everything possible from this source.

Such property as stands in the name of the Superintendent of Banks will be conveyed to the re-opened bank, subject to the above conditions.

[fol. 98] Bank Buildings

Title to the bank buildings is to be acquired as any other such real estate. Title to these buildings and lots on which they are situated is in Peoples Bank & Trust Company, Tupelo, and title will pass into the re-opened bank by virtue of the re-opening decree. The $12,500.00 represents a very safe value of these buildings and when this amount is realized from the sale of these properties or in any other manner everything in excess of $12,500.00 will be

paid into the pool to be distributed to depositors. After Peoples Bank & Trust Company is functioning, in order to finally settle the matter as to the value of the bank buildings, it will have to make an offer therefor, and if the offer is approved by the Chancery Court the re-opened bank will pay the amount of the offer and everything in excess of $12,500.00 will go to depositors to be applied on the balance owing to them. The re-opening decree should provide the price to be paid therefor, to be agreed upon within a certain time and until the price is agreed upon and the bank building finally sold to the re-opened bank, title thereto will be held just as title is held to the other real estate; in other words, the re-opened bank will pay taxes, repairs, and insurance thereon and will have the use of the same. The 10% which the new bank is to receive is only on notes or other such items of assets which are carried into the pool assets, and it is not contemplated that the re-opened bank is to receive 10% on the sale of any real estate.

As to the question of attorney's fees for the collection and handling of pool assets, it is contemplated that in all cases where suit is brought on a note which provides for attorney's fee, that the attorney's fee be collected from the maker of the note, and where it is impossible to collect [fol. 99] attorney's fees from these note makers, the attorney's fee is to be paid to the attorney handling the suit; such amount to be approved by the court, in view of the fact that it has reference to pool assets.

[fol. 100] Appraisal of Loans and Discounts

It is impossible on so short a notice to give an itemized appraisal of all loans and discounts and other assets of Peoples Bank & Trust Company in liquidation, but the valuations placed on these various items of assets in the Exhibit "5" to the re-opening petition are very conservative. It is considered that in all events the amounts at which the various items are listed in Schedule "5" to the re-opening petition, can be collected therefrom. The re-opening plan contemplates that the bank, when opened in accordance with the set-up shown in Exhibit "5" of the re-opening petition, will be absolutely sound, and that under all conditions the re-opened bank will within a reasonable time be able to pay the depositors the amount which it

agreed to pay them. It is further contemplated that a considerable amount will be paid to the depositors from the pooled assets on the balances owing to them, but there has been no effort to appraise every item of assets in detail—other than to be absolutely convinced that the set-up shown in Schedule "5" is absolutely sound; that the assets shown therein are worth the amounts at which they are carried, and that the re-opened bank will be able to pay the depositors within a reasonable time the amount which it obligates itself to pay them.

[fol. 101] Statement of Earnings and Expenses

From December 24, 1930, to and Including May 1, 1933

Earnings

Exchange	159.89
Interest on Notes	47,624.91
Interest on Bonds	15,779.20
Rents	21,163.31
Interest—Miscellaneous	3,201.48
Total earnings	$87,928.79

Expenses

General Expenses	39,364.84
Salaries Paid	32,295.41
Taxes Paid	34,035.25
Farm Operations	8,522.77
Water and Lights	606.48
Telephone and Telegraph	1,285.52
Insurance	5,302.84
Interest Paid	18,412.76
Total expenses	$109,855.87
Net expenses	$21,927.08

[fol. 102] IN CHANCERY COURT OF LEE COUNTY

In Vacation, May 15, 1933

No. 6583

In re Reopening of the PEOPLES BANK & TRUST COMPANY, of Tupelo, Mississippi, by J. S. LOVE, Supt. of Banks, Petitioner,

VS.

MRS. OSCAR C. DOTY et al., Objectors

Statement of Evidence

APPEARANCES

Hon. C. R. Bolton, Messrs. Flowers, Brown & Hester, Representing the Petitioner.

Messrs. C. P. & S. H. Long, Representing Objectors, J. S. Wesson, Memphis, Tenn., and Mrs. Oscar C. Doty.

Hon. Rush H. Knox, Hon. E. C. Sharp, Representing G. C. & S. Mabry, of Derma, Miss., and Mrs. J. W. Brown, of Jackson, Miss.

Hon. J. Thomas Dunn, Representing Mrs. Birdie Lowery Dunn, Meridian, Miss.

Hon. Fred Smith, Representing Lamar Williams and L. L. Bethay.

[fols. 103-116] Messrs. George and Charlie Mitchell, Representing Mrs. Nannie McCarty of Tupelo, Miss.

AGREEMENT AS TO HEARING

This cause came on for hearing, on this, the 15th day of May, 1933, same being a day in Vacation, and by agreement of all parties that said cause may be heard on this date, the following proceedings were had and done therein, to-wit:

[fol. 11] V. S. WHITESIDES, being first duly sworn, testified as follows on behalf of the Petitioner, the Banking Department, as follows:

Direct examination.

By Mr. Bolton:

Q. Your name is V. S. Whitesides?
A. Yes, sir.

Q. Mr. Whitesides, what is your present; in what capacity are you at present engaged?

A. Liquidating Agent of the Peoples Bank & Trust Company of Tupelo, Miss.

Q. How long have you been Liquidating Agent of the Peoples Bank & Trust Co.?

A. Since early in January, 1931.

Q. Have you been the only Liquidating Agent it has had?

A. Yes, sir.

Q. Mr. Whitesides, are you familiar with the petition that has been filed by Mr. J. S. Love, Supt. of Banks, relative to the reopening of the bank?

A. I am.

Q. Mr. Whitesides, I will ask you if you have before you, a statement of the bank, when it was closed for liquidation or on the last day it was in operation, either, Exhibit 1, I think, to the original petition?

A. I have.

Q. Mr. Whitesides, I will ask you to state what progress has been made in the liquidation of the affairs of the bank—first, with reference to whether or not the preferred claims, public monies, have been paid?

A. Public monies have all been paid and all claims which [fol. 118] have been adjudicated as preferred claims have been paid except the claim of the Vina Banking Company and J. C. Williams Lumber Co., which is now before the Supreme Court.

Q. Mr. Whitesides, what is the position of the bank in liquidation, with reference to bills payable?

A. There are none.

Q. How much was the bills payable at the time the bank closed for liquidation?

A. $427,500.00 bills payable and $30,000 re-discount.

Q. That re-discount had to be paid?

A. Yes, sir.

Q. Is that the principal sum or does that include the entire indebtedness?

A. That was the principal sum as of the maturity of the various notes which went to make up that $427,500.00.

Q. Mr. Whitesides, to how many banks were those bills payable due?

A. Eight, I think, sir.

Q. How were they secured?

A. By the pledge of bills payable on notes of the Peoples Bank & Trust Co., and probably by some bonds, but principally by bills payable.

Q. About how much collateral was attached to those notes?

A. Somewhere approximately $700,000 or $800,000; I don't have that just before me.

Q. Have those bills payable all been paid?

A. They have all been paid.

Q. In addition to the payment of these, have you had to pay interest?

A. All interest and expenses incurred in connection with the collection of the bills payable, which expense was charged by the correspondent banks, has been paid.

[fol. 119] Q. Mr. Whitesides, has there been any equity saved for the bank in that collateral?

A. A large equity.

Q. About how much, if you have any idea?

A. Well from two, to probably $200,000 easily.

Q. What was the type of collateral held by these correspondent banks, as to whether or not it was the better paper or poor paper of the bank?

A. It was the best paper of the bank.

Q. The bank usually gets the good part?

A. Trys to, yes, sir.

Q. Mr. Whitesides, can you indicate, can you identify this Exhibit "1", as being the correct statement of the bank at the time it closed?

A. Yes, sir.

Mr. Bolton: We now offer the Exhibit "1" to the Bill, as an exhibit to the testimony of Mr. Whitesides, with the understanding it need not be copied into the record, but identified by him, which was agreed to.

Q. Now, Mr. Whitesides, I will ask you to tell the court what efforts have been made to rehabilitate the bank. It is alleged in the petition that efforts have been made by the Superintendent of Banks, Depositor's Committee and the stockholders or directors, to rehabilitate the bank and put its affairs in good condition". I will ask you to tell the court what has been done along that line?

A. In the late fall of '32, a move was started to re-open the Peoples Bank & Trust Company, which move was inaugurated by a large majority of the larger depositors of

the bank, These depositors met with the Depositors Com-
[fol. 120] mittee and the Depositors Committee stated that in their opinion that it was to the best interest of the depositors and general creditors of the bank and to the community as a whole, that the Bank be allowed to reopen. Following that, the Depositors Committee and others representing the depositors, took up this question with the representatives of the Banking Department and with the former officers, stockholders and Directors of the old Peoples Bank & Trust Company, of Tupelo, Miss., and since that time, these groups have been working together toward working out a plan for the reopening of the Peoples Bank & Trust Co., and produce sufficient signers to the depositors agreement, to comply with the law, as to re-opening banks.

Q. Mr. Whitesides, as Liquidating Agent, have you been in co-operation with these gentlemen or not, in this effort?

A. I have.

Q. Has there been a representative of the Banking Department present to aid in this?

A. There has been.

Q. Who was that?

A. Mr. A. C. Powell.

Q. I will ask you to tell the court something of the amount of consideration that has been given to this plan and how long it has been worked on and worked out and matured?

A. Well, it was some two or three months maturing, and deliberate consideration was given to the plan before anything definite was agreed upon.

Q. Now had there been any efforts made to re-open the bank prior to that time?

A. There had been some talk about it.

Q. Do you know why it did not mature?

[fol. 121] A. Principally because of the fact that the bank still owed its correspondent banks money and considerable portion of the collateral was tied up in the correspondent banks for the debt, and it was not until around January 1st, 1932, or probably a few weeks—no, until January 1st, 1933, or few weeks after that, until the bills payable were paid off.

By the Court: You mean this past January?

A. Wait just a minute. It wasn't until after all bills payable against the bank had finally been discharged, before serious efforts to reopen the bank and serious consideration, was made to re-open.

Mr. Bolton:

Q. Mr. Whitesides, tell the court whether or not you had—tell the court how much experience you have had with reference to liquidating of banks and the banks in general in this territory?

A. Well, I started to work for the Bank of Shannon about 25 years ago; worked down there little less than a year and came to the Peoples Bank & Trust Company and worked for them almost continually except the time I was in the Army, little less than two years. After the Peoples Bank & Trust Co. closed, I was appointed Liquidating Agent and have been acting in that capacity since.

Q. Mr. Whitesides, have you had opportunity to have experience in banks that have been in liquidation and closed and re-opened?

A. I have.

Q. I will ask you, from your experience, whether or not it is to the advantage of a bank that re-opens, after having been closed for liquidation, that it should or should not have bills payable due?

A. Think it is very much to the advantage that it should not.

[fol. 122] Q. Can you explain that to the Court, why?

A. Yes, sir. Naturally if a correspondent Bank loans a Bank money they want security, which is usually, round until the last two or three years, two or three for one. By that, it means the Bank borrowing money, would be required to put up two or three dollars security for one dollar borrowed, therefore the Bank borrowing money, would necessarily have to take out of its files, a larger per cent of its assets and most liquid paper to secure its bills payable and thereby put the proposition of the collection of this paper out of the reach of the depositors, until the bills payable had been paid off.

Q. I will ask you to state to the Court, whether or not it is advantageous for a bank to reopen under its own funds or the funds borrowed from the Government, or commonly known as R. F. C.?

A. It is my opinion it is to the very best interest of the Bank that it reopen on its own funds and not on borrowed funds.

Q. Now Mr. Whitesides, what would be the position of the Peoples Bank & Trust Co., if reopened, relative to the

liability of being embarrassed by indebtedness of the Peoples Bank & Trust Company, other than to its depositors?

A. The indebtedness of the Peoples Bank & Trust Co., is all due to its depositors, and under the plan of re-opening, sufficient amount of cash, with a reasonable margin, is on hand, to pay every demand that can be made on the Bank when it is reopened under the plan outlined.

Q. I will ask you whether or not that is any creditor of the Peoples Bank & Trust Co., that would be in position to require it to sacrifice its assets should it be reopened?

A. No, sir, there is not.

[fol. 123] Q. Now Mr. Whitesides, are you familiar with the plan for the re-opening of the Peoples Bank & Trust Co.?

A. I think so.

Q. Have you examined the Depositor's Agreement, that is filed as Exhibit "2" to the petition?

A. I have.

Q. Do you know what percentage of the depositors have signed that agreement?

A. Depositors or creditors owning approximately 80 per cent, have signed.

Q. Approximately 80%

A. Yes, sir.

Q. That is in excess of 75%?

A. Yes, sir.

Q. Mr. Whitesides, I will ask you to state what is the plan, with reference to the payment of the amounts due to the depositors and creditors?

A. The fact——.

Mr. Sharp: Object to that, because the plan, as outlined and filed, speaks for itself.

By the Court: Yes, I think that objetcion is well taken. The plan is all signed by them, typewritten and printed.

Mr. Bolton:

Q. Mr. Whitesides, I will ask you if you have in your possession, has the bank in liquidation, the "Depositor's Agreement," similar to this one, totaling more than 75 per cent in the amount?

A. Yes, sir.

Q. They are all the same printed forms?

A. Yes, sir.

Q. Mr. Whitesides, with referenec to the amount to be [fol. 124] paid to depositors, I will ask you if there will be sufficient funds for the payment of this, be sufficient cash on hand for the payment of the amount agreed to be paid to the depositors, upon reopening of the bank?

A. There is.

By the Court: You stated a moment ago, — would be sufficient funds on hand to pay all depositors. Previous in your testimony, you stated that there was a case pending in the Supreme Court whereby the Bank of Vina was awarded a preference claim and there is now pending in this trial, a preference claim of G. C. and S. Mabry. Will there be sufficient funds on hand, in case the Supreme Court should affirm the lower Court, on the Bank of Vina's preference claim and should a preference claim be awarded at this hearing to G. C. and S. Mabry, will there still be sufficient cash available to pay these preference claims, pay the depositors their 5% on opening and leave the legal reserve?

A. Yes, sir.

Mr. Bolton:

Q. Mr. Whitesides, under the terms of this agreement, 25% os to be assumed by the reopening of the bank. You stated you have enough to pay the 5%. I will ask you from what source, or rather I will ask you this, I note that in the statement as to amount of "cash on hand," on reopening of the bank is $102,302.98. I will ask you whether or not that money is all, from which you are to pay the 5%, to be paid on reopening—I will ask you whether or not that money is all from collections of the liquidation, or whether or not any of that is received from the stockholders in the proposed new bank?

[fol. 125] A. Part of it is received from the stockholders.

Q. I will ask you whether or not it will be necessary to resort to cash furnished by the stockholders in the new bank, as capital stock, to complete the payment of the 5%?

A. It will be necessary to resort to the cash produced from the new stockholders to have on hand this $102,302.98 this statement shows as of date of reopening and after giving to the capital structure, in effect.

Q. I will ask you whether or not there is included in this sum, the amounts received from the Depositor's Protective Fund, commonly called 3% fund.

A. There is.

Q. I call your attention to Section 5, second paragraph, page 12, says, "according to the statement of May the 1st, *hand* on hand as cash on that date, $102,302.98?

A. That is not correct. That $102,302.98, as I have just testified, is after giving effect to the capital structure.

Q. And you did not have that on hand prior to receiving the capital structure?

A. No, sir.

Q. And the liquidation does not own that much money, cash?

A. No, sir.

Q. Now, Mr. Whitesides, in the proposed reopening plan, it is set out that enough assets are to be carried into the reopened Bank, to insure the collection of the amount assumed by the reopened Bank and in the petition it is alleged by charging off 75% of the deposits and credits, that the reopened Bank will be in a solvent condition. I will ask you to tell the Court whether or not that is correct?

[fol. 126] A. In my judgment it is.

Q. Will you turn to the statement of the assets that will go into the reopened bank. I will ask you to please go through that statement and explain to the Court just what is being done?

Q. Well the first item shown on the statement is bills receivable, $216,892.08. These figures were arrived at, as shown by the list of loans and discount or notes which are carried into the reopened bank, Total of these loans and discounts, $472,722, is given after giving effect to the capital structure, after having given effect, the total, these bills receivable or notes, is $491,908.45, which it is contemplated taking into the reopened bank, at $216,892.08, with the agreement and understanding, as set out in the bill, that when this $216,892.08 has been collected, that the balance of these notes or $275,016.37 will go to the pool or trust fund. The reason for carrying these figures in this manner is not working out each note and carrying it at its face value, and then, that there are a number of lines which are secured by the same collateral or a number of notes which are secured by the same collateral and it is not considered that the entire line is good. In this matter, this margin or a difference of $205,116.37 is arrived at. In my opinion, the $216,892.08, carried into the reopened bank, is conserva-

tive and considerable more than that would be collected from this lot of notes. All the residue, as given above, will go into this pool or trust fund.

Q. I will ask you whether or not in the plan of reopening, it is provided that the residue should go into this pool? [fol. 127] A. It is.

Q. You stated something else about after giving effect to the capital structure. Can you explain that to the Court?

A. $19,486.44 is included in this total, $491,908.45, which represents good notes, which have been put up by stockholders to take care of their 50% stock liability, is lieu of cash.

Q. In other words, they are notes that are not yet in the bank, but will be placed in the bank upon reopening?

A. Yes, sir, that is correct.

Q. Now you stated these notes are taken from stockholders. I will ask you whether these notes, if amply secured, are good notes?

A. Yes, sir, I consider that $19,186.44 are good, a large majority of which are payable within a reasonable time and none later than January 1st, 1934, as I recall it. All these notes are payable to the Peoples Bank & Trust Company, Tupelo, Miss. and these notes and the cash collections, are being handled by me, as trustee, and not as Liquidating Agent, and I am under obligation and under trust, to turn the notes, with the cash, which has not been collected, as liquidating agent, to the parties who had given the notes, or paid in the cash?

By the Court: That is in the event the bank is not reopened?

A. Yes, sir.

Mr. Bolton:

Q. Mr. Whitesides, can you give the Court your reason for taking security from some of these stockholders instead of cash?

[fol. 128] A. Because it was not convenient for some of the stockholders to raise the cash, but they could give good notes, well secured, and we had sufficient amount of cash to meet the requirements.

Q. If the bank had opened and if they had not paid cash, would you have considered these acceptable loans for the cash?

A. I would.

Q. The instrument from which you have been testifying, is headed in what way?

A. "List of loans and discounts carried in reopened bank."

Q. Which has been attached as a supplement to the Original petition?

A. Yes, sir.

Q. All right, go ahead?

A. Item of Bond account, $50,000.00. This $50,000 item is the amount out of the bond account which is to be carried into the books of the reopened bank. The bond account of the bank in liquidation, as appears now, is $79,599.15, after giving effect to $2,011.00 bonds, which are to go in under the new capital structure. This total will be $81,-610.15, $50,000 of which is to be carried into the books of the reopened bank, leaving an effect of $31,610.15 to be carried into the pool. The plan of reopening contemplates that when the $50,000 is collected from this bond account, that the residue, whatever it may be will be turned over to the pool.

Q. You are testifying now from an amended Exhibit to the petition, headed how?

A. "Bond account".

Q. All right, go ahead?

[fol. 129] A. The amount of $50,000 caried into the reopened Bank, covering this $81,610.15 bonds, as testified to above, is considered as a conservative value of these bonds at this time. This value is based on my personal knowledge of the character of the bonds and not on the market price. Some of these bonds are drainage bonds; some are road district bonds; water works and sewerage bonds, special school district bonds and bonds of the character where the market at this time is very low and very depressed, but as I consider, that there will be no trouble in realizing $50,000 from this $80,000 of bonds.

Mr. Long:

Q. I wiuld like for him to take the Depositor's agreement, where they say they will do that. That will satisfy my mind a whole lot if he will show me that?

A. Item 8, "I hereby authorize the Superintendent of Banks of the State of Mississippi, with the approval of the

Chancery Court of Lee County, Mississippi, to act for me in connection with the reopening of the Peoples Bank & Trust Co., and in making contacts with the re-opened bank in conformity with this agreement".

Mr. Long:

Q. Is it your understanding of that contract, and is that the way it is to be managed, regardless of the amount that may be set aside to the bank, aside from the trust fund in the first instance, whenever the bank collects enough from whatever is set aside to pay the depositors 25 per cent, without interest, then all the balance of that fund so set aside is the bank, it to be set aside as a Trust fund?

[fol. 130] A. Yes, sir. I would like to make this statement. I want to testify here, that it wasn't the intention of the Liquidating Agent of the Bank, the Banking Department, Depositor's Committee or any one with whom I have come in contact with, in the reopening plan of this bank, to take from the depositors or creditors of the bank, one cent that belongs to them, but rather the idea or object has been at all times, to do whatever was to the best interest of the depositors and creditors and in this particular bond account of $50,000, as soon as that amount is collected from this $80,000, the residue is to go to the trust fund for the benefit of the depositors and creditors, who have charged off the 75 per cent.

Mr. Long:

Q. Now does that same agreement, although the 25% to be paid to the depositors, is not to receive any interest, does that same agreement apply, as to any interest that may be collected by the bank on this fund set aside for them in the first instance. In other words, when this $50,000 collected out of that fund, pays all interest, is the balance to be turned back to the trust fund?

A. It is contemplated, as I understand it, that the interest as collected on these bonds, is to be retained by the Bank, and further contemplated in the plan for the reopening of the bank, that all earnings up to $7500.00 each year, be paid into this trust fund for the benefit of the depositors of creditors who have charged off their 75 per cent, until $45,000 has been set up in this fund, which means more or less in effect, that the reopened bank is being reopened and [fol. 131] operated for the benefit of the depositors of the

bank, that being the intention and the whole thought in the reopening of the bank. It was felt that it would be to the best interest of the depositors and creditors of the bank, that it be allowed to reopen, because if the bank was open, we believe it can make some money, and thereby any profits arising, are to go to these depositors and creditors, and instead of being detrimental to their interest, we feel that it was to their best interest.

Mr. Sharp: We object to that answer, because incompetent to a certain extent. The plan set out in the original petition, he says that $7500 is to be paid by the bank each year into this trust fund or pool. It is conditioned upon that fact after paying all salaries.

Mr. Sharp:

Q. You say you think that $50,000 can be realized out of those bonds?

A. I do.

Q. You think any more than that can be realized?

A. I do.

Q. How much more?

A. It would be hard to answer that question with any degree of accuracy, because some of those bonds are in default.

Q. And if not over $50,000 realized, there would be no equity for the depositors.

A. But it is further true that all that which is realized from the bonds, would go to the benefit of the depositors and not to the benefit of the reopened bank.

Q. Who is going to have the disposing of those bonds?

A. We do not have much hopes that we will be able to [fol. 132] sell any of these bonds in a short while.

Q. That is not in response to my question?

A. With reference to the sale of the bonds, and the disposition of any assets taken into the reopened bank, it was contemplated that if the Court felt that it should pass on the sale of these assets, the price received, that the management of the reopened bank would be very glad for that to be done, the whole thought being to realize as much as possible from these assets.

Q. Now if those bonds are sold, does the reorganized bank get 10% as profits in your agreement?

A. No, sir, the agreement does not provide that the reorganized bank get a 10 per cent commission for any collections made which are taken into the reopened bank. The agreement provides, as I understand it, the 10% commissions, which the reorganized bank is only to collect out of the pooled assets.

Mr. Long:

Q. You just stated a few moments ago, that it wasn't the intention of the people who reorganized the bank, to take one penny from the depositors. On what theory do you figure the new bank is being entitled to the interest on the bills payable and the bonds that are turned over to the new bank, the depositors are to get no interest on the 25%?

A. The bank would be entitled to no interest on Bills Receivable.

Q. I am talking about on the bills—getting down to plain language, if you don't understand that, on what theory if you say you do not want to take a copper away from the depositors, does the people who reorganize the bank, figure [fol. 133] that they would be entitled to the interest on the notes that are now due the Peoples Bank & Trust Co., which are to be turned over to the new bank, and the bonds which are to be turned over?

A. On the theory that now the depositors of the Bank are naturally not going to have to pay for the cost of the liquidation. This reopening plan contemplates that all interest on notes, interest on bonds, rents from real estate, or any other paper, be handled by the reopened Bank and out of these profits or earnings, that first the expenses of the liquidation, which includes taxes, insurance, repairs and up-keep of the various properties, be paid and then all earnings over and above these, amounting up to $7500.00 each year, are to go into the pool for the benefit of the depositors, who charged off the 75%.

Mr. Sharp:

Q. And in addition to all the interest on bills Receivable, notes and increase from real estate and all other profits which will be retained by the bank, the bank will also receive an extra 10% of all the assets of the pool which is collected from the assets in the pool?

A. This 10% which is collected from the assets in the pool, is to go into the earning account of the bank out of which the $7,500 is to be paid, just as if that earning had come from any other source.

Q. Is the Banking Department still going to pay a Liquidating Agent and Attorney here out of these assets?

A. The plan for the reopening of the bank, contemplates, as I understand it, that the liquidation of the pooled assets is to be handled by the reopened bank and there will be no [fol. 134] Liquidating Agent; be no attorney for the Banking Department paid out of pooled funds and the only expense coming out of the pooled funds will be 10 per cent to the re-opened bank and Court costs, or attorney's fees, whenever it is impossible to collect this Court cost or attorney's fees from the maker of the note or the parties owning the obligation, which is being collected.

Q. Is the new bank going to put up any bond or financial obligation for the faithful handling of all these matters?

Mr. Bolton: We object right now to this cross-examination in the middle of the direct examination.

By the Court: If there can be anything brought to light by you gentlemen that I may have a clear understanding, let's have it, but I do not want any cross-examination in the examination in chief.

Whereupon the witness continued on his examination in chief as follows:

A. Next item shown on the statement, is over drafts, $4,101.94. That represents, as shown by the schedule filed, over drafts on 13 different coupon accounts of the various sub-divisions of Lee County. These over drafts arose and were created by virtue of the fact that prior to the clos-[fol. 135] ing of the Peoples Bank & Trust Co., which bank was the County Depository, there was presented to it for payment, coupons of these various districts, which over drew this coupon account, as set out in the schedule and the bank now from these coupons expects to collect and recover from these various districts, the full amount of this over-draft, $4,101.94; said coupons not having been surrendered to the District or the County or anyone representing them.

Mr. Bolton:

Q. I will ask you on the question of those coupons, whether or not prior to the closing of the bank, the bank had instructed its New York co-respondent to pay these things and draw on rather charge to bank account here?

A. As County Depository for Lee County, the correspondent banks of the Peoples Bank & Trust Co., who were, as a rule paying matters for the County, were instructed by the Peoples Bank & Trust Co., to pay and charge to its account, these coupons as presented, which coupons were forwarded to the bank periodically as is the custom of handling such matters and in that manner these over drafts were created.

Q. Do you have a schedule you were testifying from?

A. I have.

Q. Identify it please?

A. It is captioned "List of over drafts carried in reopened bank".

Q. Proceed?

A. Next item is "stocks and bonds, $7500.00. This stock and bond, total account, as shown by the books of the liquidation at this time, is $37,046.00, made up of stocks in several local corporations. $7500.00 of this amount is to be [fol. 136] carried on the books of the reopened bank, leaving an equity or difference of $29,968.60 which is to be turned, or any amount over $7500 collected from this $37,468.60 is to go into the pooled assets for the benefit of the depositors and creditors who charged off the 75%.

Q. All right, next one?

A. Next item is, Furniture and Fixtures account, (3 sets) $5,000, is carried on the books of the liquidation at this time, furniture and fixture account, is carried at $20,000.00. It is contemplated carrying $5000 of this amount on the books of the reopened bank, leaving $15,000 equity to be carried into the pooled assets. It is further contemplated in the handling of this particular item, that the reopened bank will, after it begins to operate and gets to the point where it can safely do so, then it will buy this furniture and fixtures, at a price to be agreed on, as is the sale of real estate, all above the $5000 from the sale of same is to go into the pooled assets for the benefit of the depositors and creditors who charged of- 75%.

Q. You say to be "agreed on". Who is to pass on that question?

A. It is my understanding, as in the sale of the real estate, price received, it is to be approved by the Court and it is my idea that the price of these fixtures and furniture should be handled in the same manner.

Q. Next item please?

A. Real estate, $68,917.50, and carried on the books of the reopened bank. Real estate account as shown by the books of the liquidation at this time, is $372,623.86, after giving effect to the capital structure, this real estate ac- [fol. 137] count will show $375,723.86; of this amount, $68,-917.50 is to be transferred to the reopened bank, leaving an equity of $306,806.36 to be carried into the pool, proceeds of the sale of which is to go for the benefit of the depositors and creditors who have charged off their 75%.

This $68,917.58 represents a very, very conservative value of this real estate. The Peoples Bank & Trust Co., In Liquidation, owns some of the most valuable real estate in Tupelo, and Lee County, and it is believed that if time is given to work out these assets, in the plan which is contemplated, that a large equity that is in the real estate will go for the benefit of the depositors of the bank. It is contemplated that as soon as the $68,917.50 is collected from this real estate account, that the balance will go to the pool.

By the Court:

Q. Let me ask a question as we go along there. You are putting $68,000 value of the real estate into the new bank?

A. Yes, sir.

Q. Now the new bank is assuming 25% of the deposits?

A. Yes, sir.

Q. Is that for the purpose of giving the bank that much to pay that 25%.

A. It is for the purpose of paying the 25%. The bank is not to get any of this, the depositors is going to get it.

Q. Then out of this sum in the new bank, they get their 25% that is the plan?

A. Yes, sir.

Q. Then whatever is realized out of all the balance of it, that goes into the pool with the exception of the 10% you mentioned?

A. That 10% you mentioned, goes into the pool?

[fol. 138] Q. I understand, but with the exception of the 10%, all the difference goes into the pool for the benefit of these depositors who signed off the 75%. From the collection of all assets, except real estate, they are not taken into the new bank as assets; all that difference with the exception of real estate, less 10% for collecting it, goes to the depositors in lieu of their 75% they signed off?

A. Yes, sir.

Mr. Bolton:

Q. All right, proceed?

A. Bank buildings, (3) $12,500.00. This account was carried on the books of the liquidation at this time, amounting to $55,000, which refers to the bank building at Tupelo, Mississippi, Rienzi and Nettleton, Miss. It is contemplated setting up $12,500 of this amount on the books of the reopened bank, leaving an equity on the books, of a difference of $42,500 to go into the pool for the benefit of the depositors and creditors who charged off their 75%. It being contemplated that as soon as the bank gets under way and we propose to do so, that the reopened bank will buy these bank buildings at a price to be approved by the Court and that all amounts received above the $12,500 is to go into the pool for the benefit of the depositors and creditors who have charged off the 75%.

Q. This bank building item and real estate is treated practically the same way?

A. Yes, sir, there is no reason from standpoint of the books of the bank, why that could not be included in the real estate account; all be treated in the same manner, all consolidated as one?

Q. All right?

A. Next items is cash, $102,302.98, which represents the [fol. 139] amount of cash that will be on hand on the date when the bank reopens, if it is reopened, under the plan as outlined.

Q. You have stated that part of that comes from the capital stock?

A. Yes, sir.

Q. That is all of the assets in the reopened bank I believe?

A. Yes, sir.

Q. Now take the liability side?

A. Capital stock, $55,000. This $55,000 capital stock was realized by the stockholders in the old Peoples Bank & Trust Company paying into the reopened bank, this $55,000.

Special Reserve, $12,309.06. That special reserve account represents funds which have been collected by the Union & Planters Bank & Trust Company of Memphis, Tenn., which collateral is the residue of the collections they held after the Peoples Bank & Trust Co., had paid its bills payable to that bank, and which was held by them, on account of a suit having been filed against the said Union & Planters Bank, and in view of the fact that there might be such other similar suits. This represents money collected on this collateral, of which money I have in my hands.

Mr. Hester: You are holding that pending the outcome of that claim?

A. This $12,309.06 is being held by me pending the outcome of the claim against the Union & Planters Bank.

Mr. Sharp: We would like to have an explanation about that claim and what kind of a claim it is.

By the Court: Let me ask a question there. Now you are carrying it in your liability?

A. Yes, sir, as a special reserve.

[fol. 140] By the Court: I don't see that it makes any particular difference as long as in his liability, after he got it, be that much ahead, will have to transfer to the assets.

Mr. Sharp: Suppose no liability, what becomes of that fund?

A. It belongs to this reopened bank because it is sued too.

Q. That is the reason I want you to explain. Suppose the bank don't reopen and no liability established, where does that money go to.

A. Belongs to the depositors and don't make no difference whether opened or not, they get it. The amount of the suit is about $1700 to $1800, whatever it is comes out of this $12,309.06 and the difference goes to the depositors.

Q. But if it is reopened the bank keeps it?

A. Yes, it takes that account.

Mr. Bolton:

Q. Mr. Whitesides, tell the Court whether that is a charge against them in the cash or where?

A. It is included in the cash. I have tried to testify to that.

Q. And this in effect, the special reserve is a contingent liability that will have to be paid. It is a liability like a depositors liability?

A. No, sir, it is not.

Q. What do you have against it on the asset side?

A. Money.

Q. All right, go to the next one?

A. Demand Deposits, account, $79,566.24. This is the amount required to pay the 5% and for which amount the depositors of the bank have a right to call for on that date if they desire.

Next, Demand Cashier's checking account, $247.97. This represents 5% of the outstanding cashier's checks, as shown by the books in liquidation.

[fol. 141] Next: Demand over draft outstanding account, $3,039.95. This represents 5% of the outstanding over drafts.

Demand common claim account, $43.39. This represents 5% of the common claims account.

Deferred deposits and claims, (deposits) $258,683.60, This represents 20% of the deposit account.

Cashier's checks, account, $991.47. This represents 20% of the cashier's checking account.

Drafts outstanding, $12,159.08. This represents 20% the outstanding draft account.

Common claims, $173.65. This represents 20% of the common claims account, which was itemized on the statement, which shows total assets of $467,214.50, and total liability of like amount.

Mr. Bolton:

Q. You just finished this statement of the reopening of the bank. We will ask you if you covered everything you wanted to cover in it?

A. Yes, I think I have, except that I would like to have my testimony read back to me as to the $12,309.06 special reserve account.

Stenographer here referred to notes and read the answer of witness, who made the further following statement, with reference to special reserve account.

A. This $12,309.06 is set up on the books as a contingent liability to take care of any claims which might grow out of suit against the Union & Planters Bank, similar to the Spencer suit. This is the same suit that I referred to before, which has a possible liability of $1800 to $2000. If the Union & Planters Bank looses this suit, then the amount necessary to save them from any loss or harm as to the [fol. 142] out- or going out of this amount, of whatever amount of this $12,309.06 is left, after all such suits are settled, goes to the benefit of the depositors in the reopened bank, which will finally enure to the benefit of the pool, because as soon as sufficients funds are collected to pay the 25% set-up of the balance of the assets, as testified before, are to go into the pool. The whole scheme and idea being that whatever is left in this special reserve fund, after taking care of contingent liabilities, is to go into the pool for the benefit of the depositors and creditors who have charged off the 75%.

Q. Now Mr. Whitesides, it is alleged in the petition that the Depositor's Agreement carries with it, which you have stated, has been signed by more than 75% of the depositors, carries with it a petition signed by the depositors, to the Chancery Court and the Supt. of Banks, asking that it be, as shown on the back of the cards, which is attached as Exhibit "2". I will ask you if practically all cards which you have, are signed by these parties, with their petition on it?

A. All the cards have this petition on it.

Mr. Sharp: Object to that, cards are the best evidence.

Sustained by the Court.

Mr. Bolton:

Q. Mr. Whitesides, it is alleged in the petition of the Supt. of Banks, that the plan for reopening of the bank, is for the best interest of all the depositors and creditors of that bank and more will be realized by the depositors and creditors by the reopening of the bank, that will be realized by the continuing of the bank in liquidation. This is in the

petition of the Supt. of Banks, *As* as Liquidating Agent, of the bank, familiar with its affairs, I will ask you to tell [fol. 143] the Court what in your judgment, is the truth of that matter, whether it is to the best interest of the bank and the depositors and creditors, that the bank shall be reopened or it should not be reopened or whether or not more can be realized by the bank reopening or the bank remaining in liquidation?

Mr. Sharp: Object on the ground, it is incompetent and irrevelant and he can only state the facts and the Court can determine whether to the best interest of all parties or not, the Court is the best judge.

Court reserved ruling.

A. According to my best judgment, it is very much to the best interest of the depositors and the creditors of the bank that it be allowed to reopen under the plan outlined.

By the Court: Do you make that statement of your knowledge of the situation and possible liability of collecting the assets?

A. Yes, sir.

Q. Then I want to know what you base your judgment on that it will be to the best interest to reopen the bank?

A. Because of the fact that values at this time in real estate, which go to make up a large percentage of the bank's assets, are very low, practically impossible to sell a piece of land, regardless of the type or where it is located or what it is worth. Cotton for the past two years have been very low, which necessarily resulted in the decline of land values and of real estate. It is my judgment, that conditions will not continue as they have for the past few years, but we will have an improvement in conditions; improve- [fol. 144] ment in commodity prices, farm products and that therefore the values of real estate will be increased on that account.

Q. Would not that afford the liquidation the opportunity to make collections as well as the reopened bank?

A. I think it would to a very large extent, because the indebtedness owing to a reopened bank is by people who are depend-nt largely on the farmers and farm products to get money to pay their debts. This is true largely whether or not the debtor is a farmer or not.

Q. Then you mean by that, that those conditions would assist the debtors of the Peoples Bank to pay its obligations to the bank in liquidation.

A. In the reopening of the bank, I think would increase the values of real estate and other assets.

Q. Would not those conditions exist if the bank continued in liquidation?

A. Reopening of the bank, I do not think would have anything to do with the general conditions of the country, but I think it would have a marked effect on the local conditions. It is generally recognized that a debtor to a closed or bankrupt institution, does not have near the regard for his obligations as if he owes it to an open or going institution. Furthermore, if the bank was open and going, and had a good man come to it, whom it would be justified in loaning that man little additional money with which to make a crop, and the reopened bank will get the benefit of this crop, whereas the bank closed does not have any hold on this crop and it is very hard to obtain a second mortgage on a crop, specially where the party borrows money from the Seed Loan, and a very large number of farmers are borrowing from that source at this time.

[fols. 145-154] Mr. Bolton:

Q. From your experience with parties that owe a bank, that have just borrowed money to finance their crop from the seed loan, I will ask you to tell the Court whether or not there is anything left after the payment of those loans from which the bank can make any substantial collections?

A. My recollection and from what I have seen in the Press——

Mr. Sharp: Object to what he saw in the press.

Sustained.

Q. Just tell your experience?

A. My experience, that as a rule when people borrow from the seed loan, that they borrow more or ask for more than they would if dealing with a bank or similar institution, because they feel they are going, when they make application, to have it cut down if they get the money, and therefore they will borrow more than if dealing with a bank or a going and open institution.

Q. I will ask you whether or not goping banks can handle and sell real estate to a better advantage than liquidating banks.

Mr. Sharp: Objected to that.

Court reserved ruling.

Court adjourned until 8:30 A. M.

[fol. 155] Whereupon, the case continued for trial on behalf of the objectors, Mrs. Oscar C. Doty, Mrs. Birdie Lowery Dunn and Mrs. Nannie McCarty, Mr. Whitesides being further examined, testified as follows:

Mr. Bolton:

Q. Mr. Whitesides, please answer the question which I had just asked you yesterday evening before adjournment, which question was read by the Stenographer?

A. It is my judgment that an open or going bank can handle real estate, both in the sale and operating of same, much better than a closed bank.

Q. Mr. Whitesides, I will ask you what is the effect, generally, on values, particularly real estate values, of banks being in liquidation in a community?

A. I have heard it estimated in a community like this, where a bank was closed, specially a bank that had anything like the business that the Peoples Bank & Trust Company did, that real estate automatically declined 25% and if this condition continued to exist a longer time, these values would continue to decline, because of the fact that property owned by closed banks or banking institutions, are more or less decreased property.

Q. You mean they are sitting by——

A. Waiting for the time——

Q. To get them at a bargain?

A. Have to be sold and then buy them at less than the value.

Q. I will ask you this. The bank has been in liquidation now almost two and a third years, hasn't it?

A. Yes, sir.

Q. What is the relative cost, without giving figures, as to [fol. 156] whether it is larger or smaller, to make collections now as compared to what it was at the earlier period of the liquidation, per dollar?

A. I would say the cost now, the cost for the year 1933, if the liquidation is continued, would be two to three times

what it was in the year 1931, the year following the closing of the bank for the reason a large part of the notes have been collected and therefore it takes more work and there are few good notes to collect, fewer than there were in the beginning, and the cost of handling cannot be reduced as compared with the amount collected.

Q. You mean the cost per dollar is higher?

A. Percentage of cost and right there I would like to state on this percentage of cost to collect the assets of the Peoples Bank & Trust Company, has been $2.97\frac{1}{2}$ per cent as of May 1st, 1933, compared with the 3% from the National system in 1931 and 3.2% for the cost in 1932. These figures that I am quoting from, is a clipping from the American Banker's Daily Journal of New York.

Q. Mr. Whitesides, is that, do you have reference to that being the entire cost or the earning cost?

A. That is actual cost, net cost.

Q. I understand you to mean——.

A. After all earning have been deducted.

Q. The interest and the other earnings from other properties?

A. That is right.

Q. That much out of the principal?

A. Yes, sir. Mr. Sharp stated yesterday that it had cost $109,000 so far to liquidate the Peoples Bank & Trust Co. As a matter of fact, the cost has been little more than $21,000.00.

[fol. 157] Q. Now Mr. Whitesides, what does that include; the expenses——

A. The expenses include of course, taxes, insurance, salaries, repairs and maintenance of all the properties and any other incidental expenses. Of this $21,000 of actual net cost of the liquidation, includes the taxes for the year 1931, of approximately $17,000 for which of course the liquidation could receive no benefit and further, includes $18,000 approximately, of interest paid on bills payable, which were an obligation of the bank when it closed, therefore if these two items were eliminated from the expense account, the liquidation would show a profit.

Q. Now that has been the expenses in the past. I believe you say that from now on, the cost will be higher per dollar?

A. Yes, sir.

Q. Then if up to this point it has cost more than the interest and earnings of the bank, in liquidation, to liquidate it, if the reopened bank proposes to liquidate it for the interest and earnings, what do you have to say as to the advantage of it to the liquidation, from the standpoint of the depositors in the old bank?

A. It means in effect, that the depositors in the old bank, will get liquidation free of charge, the amount which is being taken over by the reopened bank, that is their 20%, it will virtually cost them nothing because of the fact, the reopened bank hopes to make some money and naturally will make some money.

Q. Have you got any other reasons from the records down there, why it is to the best interest of the depositors; why the bank should reopen, that I have not asked you about?

A. Well one of the biggest reasons that has not been testified to is the morale. I think it will mean lots to the [fol. 158] morale of the community and I think will increase the value of property, not only the property of the liquidation, but property in general.

Q. That is the only other reason you have to give?

A. I don't know, Mr. Bolton. As I see it, great many reasons why the bank should be allowed to reopen.

Q. You have got a list of the assets to be put in the pool; I believe that was to be appended to the original petition. I don't care to go through it all, I just want you to identify it?

A. I have there, schedule, marked "List of loans and discounts going to the pooled assets".

Q. You willing to testify about it as to any questions that may be desired to be asked about it.

A. It is an itemized list. I am willing to testify and give to the record.

Q. On the question of the capital structure. You have $200,000 at the time of the closing of the bank for liquidation. It is alleged that the capital stock is to be deducted and application for amendment of charter has been made, at the time of the filing of the petition, the amendment had not been approved. Tell the Court whether or not that amendment has been approved and authorized?

A. It has and back in our hands.

Q. Reduced to $55,000 I believe?

A. Yes, sir.

Q. I will ask you to get one of the depositor's cards, and referring to Section 6 therein, it is provided that in consideration of the reopening, benefits to accrue from the reopening capital stock or not less than $35,000 paid in, that the old stockholders be paid 50% of their original capital stock as subscribers for new stock to be released from liability as their stock. I will ask you to state this [fol. 159] first: How much more capital stock have you been able to get subscribed under that agreement than you had expected to be able to collect?

A. The agreement provided for $35,000 and $55,000 has been collected or will be collected.

Q. You mean it is ready?

A. Yes, sir, it is being held.

Q. With the bankable assets?

A. Yes, sir.

Q. Can you give me a statement as to how much additional you have got of stock. You have got $55,000, how much additional you have gotten from stockholders from whom you did not have very much hopes of being able to collect?

A. Between $15,000 to $20,000.

Q. You remember about what percentage more that there was, than you thought you were not going to be able to collect?

A. I do not have the percentage figures in my mind.

Q. Mr. Whitesides, what agreement has been entered into with reference to the payment of dividends to the stockholders? It is alleged here they should not be paid any dividends until the full amount of the 25% asked to be, agreed to be paid back by the reopened bank, has been paid. That is correct is it?

A. Yes, sir.

Cross examination.

By Mr. Long:

Q. The stockholders in the new bank are composed of the stockholders of the old bank; a certain part of them?

A. Every one of them sir, under this set-up they are now new stockholders.

Q. Then the amount of the new capital stock that has been subscribed, is $55,000?

[fol. 160] A. Yes, sir.

Q. And that would necessarily carry with it that $55,000 if it could be made out of the old stockholders by law, and released from liability to the depositors, wouldn't it?

A. Yes, sir.

Q. The other $55,000 that was paid in, is capital stock in the new bank, and it is not in any way pledged for the amount of the payment that is agreed to be paid to the old depositors?

A. No, sir, not for the depositors who have charged off the 75% in the pool, it is not pledged to secure the pool.

Q. Is there any provision in the compromised agreement, making the assets of the new bank liable for the payment of this 25%?

A. Yes, sir, all the assets.

Q. Whereabouts in the agreement does it say that? Aside from the amount of the bills receivable taken over if not collected, is the new bank liable in any way for this payment?

A. Yes, sir, all this $55,000 capital that goes in here, just as any other capital; it has got to be lost before the depositors ever lose anything.

Q. Have they got any right to transfer it against the bank? Can't the bank stay there and run until it loses and they got no right to get any of it out?

A. I don't know as I understand your question. The capital is there, as the capital in any bank for the protection of its creditors.

Q. But get your Depositor's Agreement and see if it proposes to pledge the assets and capital of the new bank for the payment of the 25% afterwards. That is all I want to know?

[fol. 161] By the Court: Judge, I think the law does that.

Mr. Long:

Q. What I want to know, what I am after is this, it should be fixed in the decree, the way I understand this agreement, if never collected out of this stock to be taken over, they never will get no more.

Mr. Bolton: No, sir.

Mr. Long:

Q. This $55,000, all that is paid in or anything that is liable?

By the Court: Absolutely, that will be in the decree before I sign it.

Mr. Whitesides: That is not in the agreement.

Mr. Bolton: We expect to put it in the decree.

Mr. Long:

Q. With reference to the $35,000 of the assets, that will be taken for a reserve fund?

A. $35,000 and $10,000.

Q. That much assets are taken from the depositors and put in the new bank. How is that to be paid back to the depositors in the old bank?

A. It is to be paid back out of the earning- of the reopened bank.

Q. If the new bank never has any earnings, how is it to be paid back?

A. Those assets are right there still for the benefit of these depositors.

Q. But are the depositors ever going to get it out under that agreement?

A. Just like any other funds.

Q. They would not have any debt for it?

[fol. 162] A. The decree will provide it; just like provides any other.

Q. That is what I am trying to bring out?

A. That is the instrument there; it shows that.

Q. Now I asked you yesterday, but I can ask it again. If I understand the proposed plan and agreement to be embodied in the decree is this: That as to the pooled assets, consisting of bills receivable, that will be placed therein, that there is a small charge of 10% on that and whatever necessary attorney's fees, have to be paid out?

A. And the Court costs.

Q. And now nothing of that sort applies to the collection of the bills payable and other properties that is turned over to the bank, to recapitalize it?

A. That is correct. There is no charge to be made for collecting any of the assets going into the reopened bank.

Q. Then if all those old notes that are standing, placed in the pooled agreement, are to be collected, the bank will get $60,000 or $70,000 for collecting, but the old depositors would get the benefit of that 90 cents on it, to go on their deposits?

A. Yes, sir.

Q. Which of course will never happen?

A. That is correct.

Q. Now with reference to the real estate. If I understand it, the new bank, up to the time the real estate is unsold, it will pay the taxes and upkeep of it and get the income for it and the only way you hope for the depositors to be benefited out of that, is that the property productive and keep up until such time as financial conditions of the country are in better shape and the price of lands advances; that right?

[fol. 163] A. Yes, sir, and this property be sold and converted into cash.

Q. And this does not apply to anything except the bank buildings, but with reference to the bank buildings and the fixtures in them, I understand from my conversation with you gentlemen, that if at any time a bona fide offer is made for the property—I will put this condition in there, it ought to be in there, a certified check by the bidder, making the same for 10% of the amount of the offer, holding his offer, that it will all be submitted to the Court to be passed on, and the bank will either agree for the sale to be made if the Court thinks it is proper, or take the property over for itself at this offer?

A. Yes, sir, that is understood to be one of the conditions.

Q. Now this Depositor's Agreement does not say when anything shall be paid except the 1st 5 per cent. What is the intention of the bank as to the accumulation of the funds and payment of the balance? What per cent of the balance does the bank expect to retain in its hands before paying out any more?

A. Section B, of Paragraph 2 of the Depositor's Agreement, provides "Balance to be paid in installments whenever collections have been made from the assets taken over from the closed banks, shall use 5% of the present outstanding deposits".

Q. Now then in case the assets taken over from the old bank, should not amount to that much at any one time, but any profits that the new bank is due to take over under this agreement on these old figures aggregating 5%, is it the intention of the bank to pay it then?

A. My judgment is, that it would not be possible to mix funds collected from the pooled assets and funds collected

from the assets in the reopened bank, and that if, for example, 3% was available from funds collected from assets of the reopened bank, and 2% available from funds col-
[fol. 164] lected from the pooled assets, that two dividends in effect would have to be paid.

Q. I am talking about that part of the profits which the bank pays back. That $7500 a year and any other sums over there, is that to be placed in the pooled assets or is that to go into the other fund of 25%?

A. The $7500 coming from the earnings is to go to the credit of the pooled assets.

Q. Now then how long, under that agreement, and what is the plan, with reference to the payment of these pooled assets? Or in other words, how much of that is going to be held and kept until it is ascertained the amount to make distribution among the depositors?

A. My judgment is——

Q. What per cent is going to be kept for distribution?

A. My judgment is, when a sufficient amount has accumulated to pay as much as 2½ per cent dividends and small amount of reserve necessary for whatever might be necessary to protect the pooled assets, that this 2½ per cent of the pooled assets, however small it is, should be paid.

Q. If I understood you correctly awhile ago, there would not be any taxes against the pooled real estate, because the bank was going to get the income from it and pay the taxes and insurance out of that and take the balance of the income for their trouble?

A. That is true as long as this is carried into the reopened bank, but after the $68,000 is collected from the real estate, then all the residue belongs to the pool and necessarily the taxes and expenses of the real estate would naturally follow; necessarily have to be taken care of, take care of taxes and expenses of handling it.

[fol. 165] Q. Isn't this thing down there, coming down to a final analysis, it would result in this, that with the bank being liquidated by the Supt. of Banks, all the property of every kind would have to bear the expenses of the liquidation?

A. That is absolutely correct, sir, as I understand it.

Q. And under the reopening plan, the pooled bills receivable only, bear any expenses, other than the real estate?

A. Yes, sir, that is correct.

Witness dismissed.

A. C. POWELL, being first duly sworn, testified as follows on behalf of the Petitioner:

Direct examination.

By Mr. Bolton:

Q. Mr. Powell, tell the Court your present occupation?

A. I am engaged as special Liquidating Agent for the State Banking Department during work on re-organization and assisting in the various liquidations throughout the State.

Q. You go to different liquidations, as you are needed?

A. Yes, sir.

Q. Mr. Powell, have you made considerable inquiry into the status of the Peoples Bank & Trust Company, in liquidation?

A. I have.

Q. And familiar with its affairs and the conditions under which it proposes to reopen?

A. I am.

Q. I believe you helped to work out the set-up for the reopening, did you not?

A. I did, yes, sir.

[fol. 166] Q. Mr. Powell, tell the Court your judgment of that proposed reopening plan, as to whether or not it is to the best interest of the depositors and what efforts have been made to safeguard the depositors and see that everything was done that has been done?

A. Before I would agree to any plan for the reopening of the Peoples Bank & Trust Company, I went very carefully into the details of the assets of the bank, both real and contingent and I mean by contingent, unobtainable stock liability; all the loans and other assets were looked into very carefully, and as far as a determination could be made, approximately sound values were arrived at, and using these assets as a basis, we reached, what we are calling the "set-up" for the new bank. We decided that the bank could be opened and operated and the affairs of the old bank could be more satisfactorily and more economically realized on through an open bank than through a liquidation. We reached this conclusion, specially as far as I was concerned, because of the fact that in dealing with as many bank liquidations as I have to deal with, I have be-

come very familiar with the problems that confront a bank in liquidation in the manner of realizing on its assets. Before I would permit myself or permit Mr. Love, as Superintendent of Banks, whom I represent, to be committed to any plan for reopening this bank, one of the features that I had to be convinced about was whether or not it would be better for the depositors generally to take the money that could be collected from the stockholders and use it as a capital structure for the new bank or whether be better to go the limit in our efforts to collect the stock liability and use that in payment as a dividend to the depositors and continue the bank in liquidation. I found that in appraising the possible values of the stock liability that, at the out- [fol. 167] side, we might collect, as I recall it, $70,000 or $75,000; that was a possibility.

Q. *Ver*, how long a period of time required——

A. Now that possibly would be over a period of 26 years to realize on that double liability and that was a possibility, if all of them that we estimated; there was a possibility could have been collected, it would have amounted to approximately 5 per cent of the total deposits in the bank.

Q. You mean as a dividend?

A. As a dividend. I looked at the other side of the question and decided that if we could collect as much as $40,000 or $50,000 and use that as capital structure in a new bank and, with that money, make available immediately a cash dividend to the depositors that it would give to them immediately practically as much cash as they would get, or probably more cash than they would get if we waited to realize on this stock liability. Then I figured further, that in the work-out, there is always a likelihood we will not get as much as estimated; estimates always fall down in a liquidation; I figured then that the difference between the amount that can be realized on the assets in a liquidating bank and on the same assets if placed in the hands of a going bank, would be a minimum of 10% more, to probably 25% more, and weighing these two estimates, I reached the definite conclusion that the interest of the depositors would be best served if we would use this cash as a capital structure, since it would give more advantages in the realization of the assets that it would give if paid as a dividend directly to the depositor and continue the bank as a liquidating bank.

Q. You therefore figured the depositors would gain more than they would lose?

A. Yes, sir, decidedly, and it wasn't until I was convinced of that question, that I was willing to release or [fol. 168] approve any right of action freeing the stockholders in the matter, because I think it is to the best interest of the depositors to do so.

Q. All right, you have been through the bank, the set-up; the plan. I will ask you to tell the Court what in your judgment is the character of the set-up as to its soundness or unsoundness for the reopening of the bank, what you think has been, with reference to the plan and its prospects from the standpoint of the depositors, for its success?

A. I think the bank, as set out, is absolutely sound. You have got 100% of your demand liabilities in cash; you got a reserve set aside to take care of every possible contingencies and I can't think of a bank being set up on a sounder plan than this. The assets that are taken in are taken in at a value with a wide margin, according to our estimate of values, and I think the plan is absolutely sound.

Q. I will ask you this: Under the plan as proposed, you think there is any, under normal conditions, any likelihood of the bank having to close the second time?

By the Court: What you mean by "normal conditions?"

Mr. Bolton: I will say under present normal conditions?

By the Court: I don't think "normal" has any business in there.

Mr. Bolton:

Q. Under present conditions?

A. There is no way you can close the bank, as I see it, under this set-up. There is no demand that could be made on it that will close it that I can possibly see.

Q. You heard Mr. Whiteside's testimony?

A. Yes, sir.

Q. It correctly outlines the plan as you understand it?

A. Yes, sir.

By the Court:

Q. I want to understand this new set-up, Mr. Powell. [fols. 169-173] What is the legal reserve requirements? Maybe I can shorten this: How much available cash will the bank have over its legal reserve?

A. It will have a little over $20,000.00.

Q. Beyond its legal reserve?

A. Yes, sir, and the amount of the reserve on which deposits, and they would have to be construed as such, are deferred, would be about $17,000.00.

Q. Now, then, what I am after is this: I want to know whether, if this bank should reopen, it could pay all preference claims that have been adjudicated against it, or maybe adjudicated against it, plus what liability may accrue to the Union & Planters Bank of Memphis, and still have its legal reserve?

A. Yes, sir.

(Witness dismissed.)

[fols. 174-182] IN CHANCERY COURT OF LEE COUNTY

OPINION OF THE COURT

After patiently hearing all of the testimony relative to the plan of the reopening of the Peoples Bank & Trust Company in Liquidation, without going into details for the reasons thereof the Court is of the opinion that it will be to the best interest of the depositors and general creditors of the bank to be reopened on the plan as set forth in the petition and the testimony.

[fol. 183] IN SUPREME COURT OF MISSISSIPPI

October Term, 1933

No. 31,010

BIRDIE LOWRY DUNN, ET AL., Appellants,

vs.

J. S. LOVE, Superintendent of Banks, in charge of Peoples Bank and Trust Company, in Liquidation, Appellee

ASSIGNMENT OF ERRORS IN BEHALF OF MRS. O. C. DOTY, A RESIDENT CITIZEN OF TUPELO, MISSISSIPPI, AND MRS. LORENE ROBERTS TOLMAN, A RESIDENT CITIZEN OF OWENSBORO, KENTUCKY—Filed Dec. 23, 1933

Now comes appellants, Mrs. O. C. Doty and Mrs. Lorene Roberts Tolman, and file this their assignment of errors in the above styled cause, to-wit:

(1) The decree entered herein is contrary to the law and the testimony.

(2) The decree is not in conformity to the provisions of the depositor's agreement signed and filed in said cause.

(3) The Court erred in entering the decree herein, the terms of said decree being contrary to the provisions of Chapter 251 of the Laws of Mississippi, 1932, in that the assets of the bank in liquidation are by the terms of said decree diminished to the prejudice of depositors and creditors of the bank in liquidation.

[fol. 184] (4) The Court erred in relieving, by the terms of said decree herein, certain stockholders of stock liability.

(5) The Court erred in ordering and directing that certain depositors be paid in full upon the reopening of the bank, while others should only be paid a percentage, and that in deferred payments.

(6) The Court erred in surrendering the assets of the bank in liquidation to the reorganized bank without bond as required by statute.

(7) The Court erred in placing the liquidation of the Peoples Bank & Trust Company in Liquidation under the control of the Peoples Bank & Trust Company as reorganized without bond, and in violation of the statutes pertaining to the liquidation of insolvent banks in the State of Mississippi.

(8) The Court erred in authorizing and directing the Superintendent of Banks to deed to the new bank all of the real estate belonging to the bank in liquidation upon the terms and conditions set out in said decree.

(9) The decree as entered herein violates the provisions of the Constitution of the United States and the Constitution of the State of Mississippi.

(10) The Court erred in the construction placed upon Chapter 251 of the Laws of 1932; the construction placed thereon by the lower court resulting in the impairment of the contract of various depositors and creditors, and said construction violates the provisions of both the Constitutions of the United States and the State of Mississippi.

(11) The Court erred in overruling certain objections and motions of appellants as shown by the stenographer's notes on file.

[fol. 185] (12) The Court erred in permitting the introduction of testimony on behalf of appellees, which was objected to by appellants, as shown by the stenographer's notes and the record on file.

(13) The decree entered herein is not authorized by law, and deprives appellants of their property without due process of law.

(14) The Court was without jurisdiction to hear the cause at the time and place at which it was heard.

(15) The Court was without jurisdiction, and not authorized by law to grant the relief prayed for in the bill, and was wholly without jurisdiction and unauthorized by law to enter a decree not in conformity to the depositor's agreement as shown by the record.

(16) The Court erred in decreeing and authorizing the application of funds derived from the Depositors' Protective Fund to be surrendered and turned over to the new or reorganized bank and to be used by it in the reorganization; said fund being a special trust fund for the benefit of depositors, and there is no authority of law for it to be distributed other than to the depositors by the State Superintendent of Banks.

(17) And for other good and sufficient reasons to be shown at the hearing of the cause.

Respectfully submitted, (Signed) E. C. Sharp, Attorney for Appellants.

I hereby certify that I have this day delivered a true copy of this Assignment of Errors to Flowers, Brown & Hester, attorneys for Appellee, this the 23d day of December, 1933.

(Signed) E. C. Sharp.

[File endorsement omitted.]

[fol. 186] IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

ASSIGNMENT OF ERROR—Filed Jan. 4, 1934

Comes now the said appellant, Mrs. Nannie McCarty, one of the objectors in above styled cause, prays the reversal of the decree of the Chancery Court of Lee County, Mississippi, in said cause, and assigns the following:

I. The decree of the Court is void.

II. The decree of the Court is unconscionable, inequitable and unjust.

III. The decree of the Court violates Section 10, Subdivision I of the Constitution of the United States of America.

IV. The decree of the Court violates Section 16 of the Constitution of the State of Mississippi.

V. The decree of the Court violates Section 14, Fourteenth Amendment to the Constitution of the United States of America.

VI. The decree of the Court violates Section 14 of the Constitution of the State of Mississippi.

VII. The decree of the Court violates Section 17, Article 3 of the Constitution of the State of Mississippi.

[fol. 187] VIII. For other reasons to be assigned for further hearing.

Geo. T. & Chas. S. Mitchell. (Signed) Chas. S. Mitchell, Solicitors for Appellant.

Certificate

I, Chas. S. Mitchell, one of the solicitors representing Mrs. Nannie McCarty, do hereby certify that I have this day handed in person to C. R. Bolton, attorney and agent for Mississippi State Banking Department at Tupelo, Mississippi, his usual place of abode, a true and correct copy of these Assignments of Error and mailed, postage prepaid, to Messrs. Flowers, Brown & Hester, Jackson, Mississippi, attorneys for said banking department, a true and correct copy of these Assignments of Error.

Witness my signature, this 31st day of Dec., 1933.

(Signed) Chas. S. Mitchell, Solicitor for Appellant.

[File endorsement omitted.]

[fol. 188] IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

ASSIGNMENT OF ERRORS—Filed Nov. 27, 1933

Comes now the appellant in the above styled and numbered cause and assigns as error the following rulings and actions of the trial court, to-wit:

1. The lower court erred in granting a decree permitting the People's Bank & Trust Company to re-open, for the reason that the appellant, an acknowledged depositor and creditor of the said bank, filed a written objection to the re-opening of the said bank.

2. The lower court erred in permitting said bank to re-open under and by virtue of Chapter 251 of the Laws of 1932, for the reason that the lower court permitted the bank to re-open under and by virtue of Chapter 251 of the Laws of 1932, and said law is unconstitutional and invalid in that it violates Section 14 and Section 16 of the Constitution of the State of Mississippi by depriving appellant of her property without due process of law, and also impairs the obligation of her contract with the bank. Said law also violates the 14th Amendment to the Constitution of The United States in that said law impairs the obligation of her contract with the bank.

[fol. 189] Respectfully submitted, (Signed) J. Thomas Dunn, Attorney for Appellant.

I hereby certify that I have this day deposited in the United States mails, postage pre-paid, a true and correct copy of the above and foregoing Assignment Of Errors, addressed to Messrs. Bolton & Monegon, Tupelo, Mississippi, and Messrs. Flowers, Brown and Hester, Jackson, Mississippi, their usual place of abode; said attorneys being attorneys of record for the appellee.

This the 31st day of August, 1933.

(Signed) J. Thomas Dunn, Attorney for Appellant.

[File endorsement omitted.]

[fol. 190] IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

AMENDED ASSIGNMENT OF ERRORS—Filed Oct. 27, 1933

Comes now the appellant in the above styled and numbered cause and assigns as error the following rulings and actions of the trial court, to-wit:

(1) The lower court erred in granting a decree permitting the People's Bank & Trust Company to re-open, for the reason that the appellant, an acknowledged depositor and creditor of the said bank, filed a written objection to the re-opening of the said bank.

(2) The lower court erred in permitting said bank to re-open under and by virtue of Chapter 251 of the Laws of 1932, for the reason that the lower court permitted the bank to re-open under and by virtue of Chapter 251 of the Laws of 1932, and said law is unconstitutional and invalid in that it violates Section 14 and Section 16 of the Constitution of the State of Mississippi by depriving appellant of her property without due process of law, and also impairs the obligation of her contract with the bank. Said law also violates Section 10, Article 1 of the Constitution of [fols. 191-193] the United States in that said law impairs the obligation of her contract with the bank.

(3) The lower court erred in permitting the said bank to re-open for the reason that said terms and conditions under which the said bank was permitted to re-open are unreasonable and unjust.

Respectfully submitted, (Signed) J. Thomas Dunn,
Attorney for Appellant.

This is to certify that I have this day deposited in the United States mails, postage prepaid, a true and correct copy of the above and foregoing Amended Assignment of Error, addressed to Messrs. Bolton & Monegan, Tupelo, Mississippi, and Messrs. Flowers, Brown & Hester, Jackson, Mississippi, their usual place of abode, said attorneys being attorneys of record for the appellee.

This, the 22nd day of September, 1933.

(Signed) J. Thomas Dunn, Attorney for Appellant.

[File endorsement omitted.]

[fols. 194 & 195] IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

Division "B" Sitting

ORDER SUSTAINING MOTION TO DISCUSS APPEAL OF MRS. BIRDIE L. DUNN—January 22, 1934

This cause this day came on to be heard on the Motion to Dismiss filed herein and this court having sufficiently examined and considered the same and being of the opinion that the same should be sustained, doth order and adjudge that said Motion be and the same is hereby Sustained.

(Signed) Geo. H. Ethridge, Presiding Justice.

[fol. 196] IN SUPREME COURT OF MISSISSIPPI

In Banc No. 31,010

BIRDIE LOWERY DUNN, et al.,

vs.

J. S. LOVE, Supt. Banks

DECREE—June 5, 1934

This cause having been submitted at a former day of this term on the record herein from the Chancery Court of Lee County and this court having sufficiently examined and considered the same and being of the opinion that there is no error therein, doth order and adjudge and decree that the decree of said Chancery Court rendered in this cause on the 17th day of May, 1933, be and the same is hereby Affirmed. It is further ordered and adjudged and decreed that the appellee do have and recover of and from the appellants and O. C. Doty, L. P. McCarty, Roy D. McCarty, J. Thomas Dunn and Elizabeth Harris, sureties on the appeal bonds herein, all of the costs of this appeal to be taxed, etc.

(Signed) Sydney Smith, Chief Justice.

[fol. 197] IN SUPREME COURT OF MISSISSIPPI

In Banc

No. 31,010

B. L. DUNN, et al.,

vs.

J. S. LOVE, Supt. Banks

OPINION—Filed June 5, 1934

GRIFFITH, J.:

The People's Bank & Trust Company of Tupelo, having become insolvent, closed its doors on December 24th, 1930, and went into the hands of appellee as statutory liquidator. The bank remained in liquidation in the chancery court until May 15th, 1933. At the time the bank closed, it owed $200,000 of public deposits and $457,000 to correspondent banks, which debts to correspondent banks were secured by approximately $700,000 in collateral. Thus the claims aforesaid had to be paid in full before anything was available to depositors and other common creditors; and, by collections made under the liquidation, all of said preferred claims, except a small amount in suspense, were paid and liquidated prior to May 4th, 1933.

In the meantime the depositors had held meetings and had appointed a committee from among their number to represent them in considering and determining what was best to be done. The bank having been in liquidation for more than two years, and the assets which were the more readily collectible having been realized upon, and devoted to the payment of the preference and secured claims aforesaid, it was apprehended and appreciated that the time had arrived and the situation was such that thenceforth the most prudent, patient and sympathetic attention was constantly necessary to realize upon the remaining assets of the bank, much of which was in real estate, not then, or soon [fol. 198] to be, salable except at a ruinous sacrifice. It was the conclusion of the committee, in collaboration with representatives of appellee [illegible] were on the ground, that the best method to pursue, and that by which most could be obtained for the depositors, was to reorganize the bank

to the end that the remaining assets could be administered by an active banking concern, thereby eliminating the continued large expense of liquidation in ordinary course, as well as the inevitable waste and loss incurred, according to common experience, in liquidation.

A plan of reorganization was finally agreed upon, and the plan was presented by petition to the chancery court in the pending liquidation proceedings on May 4th, 1933, under chapter 251, Laws 1932, commonly known as the seventy-five per cent law. Upon the filing of the petition the chancellor fixed the date for the hearing thereof for May 15th, 1933, and selected fifteen persons from among the five thousand depositors upon whom notice of the hearing should be served personally, and ordered that further notice be given by publication in a newspaper published in the county. The citations were served and the publication was made as ordered.

Upon the date appointed for the hearing a few objectors filed elaborate objections. The court upon the hearing found that the petition conformed to the law, was presented by more than seventy-five per cent of the depositors in amount, was supported by the evidence, and that the proposed plan of reorganization would yield by its operation more for the depositors than could be realized by continuing the bank in the ordinary course of liquidation, and an elaborate decree was entered covering the plan and its proposals in every necessary detail.

[fol. 199] We do not restate here the details of the plan, or the numerous objections made thereto; First, because it is not practically possible to do so in the admissible length of a written opinion. Second, because many banks have been reorganized in the state under the statute, and the differences in location, in assets and liabilities, and in the various problems to be met, make it improbable that exactly the same plan has been followed in any great number of them. And, third, because any particular plan is to be viewed as a whole—constituent details as to which objection might seem to be well taken if standing alone, may be found to be overbalanced or offset by the advantages of other constituent details, so that at last the plan as a whole may be available and reasonably sound. We deem it sufficient to say that, except as to the stockholders' liability hereafter to be mentioned, the plan here adopted specifically preserved every item of the remaining assets of the

bank for the ultimate benefit of the depositors, surrendering none of these assets. And, finally, the decree contained suitable provisions that the whole of the administration of these assets by the reorganized bank should be under the continued direction and control of the court, reports thereof to be made to the court from time to time.

At the threshold we are met with the objection that the hearing and the reorganization decree made at the hearing were without authority for want of proper legal notice to the parties in interest. It seems to be contended that a summons to all parties would have to be issued and served as if in the institution of a new suit. But the entire matter and all the parties in interest were already in court and had been for more than two years, or since the original institution of the liquidation proceedings, the notice then given as required by statute being all that was necessary [fol. 200] to the presence of the parties and their continued presence until the liquidation proceedings were concluded. The liquidation proceeding was a quasi-receivership; the petition for the reorganization was filed in and was a part of the liquidation matter, and no original process by way of summons was necessary.

In receivership and in liquidations, such as this, the court acts in all ordinary administration matters upon ex parte petition or motion and without formal notice to the parties in interest. This is a rule of necessity, because usually in these matters there are numerous parties in interest widely scattered, and to require notice of every step to be taken would hinder and embarrass the administration and entangle it in unbearable expense. In matters of great importance, however, vitally affecting the body of the estate, notice by citation ought to be given, and in some jurisdictions the citation is regarded as essential to the validity of the decree in these more important steps in the administration. In Milner v. Gibson, 61 S. [illegible] (2nd.) 273, it was held, however, that notice was not essential under a reorganization petition in bank liquidation proceedings; and in Christensen v. Marine Bank, 150 So. 375, which was in effect a reorganization proceeding, no notice was given. But whether citation under our reorganization statute is required, we are not called on here to decide, because proper citation was in fact ordered and served in the present case; it being necessary to add only that a citation is

not required to be served either with the same formality or for the same length of time as a summons. The requirement in respect to a citation is that it be served in a reasonable manner, and for a reasonable length of time, all the circumstances considered, and that requirement was well enough observed in the matter now before us.

[fol. 201] The entire bank reorganization statute, chapter 251, Laws 1932, has been attacked by appellants as being in violation of specific sections of the state and federal Constitutions. This statute, remedial in its nature and operation, is one among a number of legislative acts devised in the attempt to meet, so far as practicable, the unusual conditions brought about by the present economic depression, the most serious within the present generation, and in the effort to salvage something in the general wreck of things. In considering legislative and administrative efforts at salvage and rehabilitation, in the distressing situation with which the country has been and is yet confronted, we must not permit ourselves to be maneuvered into positions which would view the federal and state Constitutions as sculptured idols, frowning with changeless features upon a changing world; for the true view, as was said by this Court in City of Jackson v. Deposit Bank, 160 Miss., 752, 768, is that "the interpretation of constitutional principles must not be too literal. We must remember that the machinery of government would not work if it were not allowed a little play in its joints"—an expression taken from an opinion of the Supreme Court of the United States in Bain Co. v. Pinson, 282 U. S., 449, 75 L. Ed. 482. When examined in the light of this principle of constitutional interpretation, we can find nothing in the general purpose and scope of the statute which is prohibited either by the state or the federal Constitution, in which connection we may observe that similar statutes have been under review in other states, and their supreme courts have upheld them in every case which has been brought to our attention. As typical of these cases, we may cite McConville v. Fort Pierce Bank, 135 So. 392, and Milner v. Gibson, 61 S. W. (2nd.) 273.

[fol. 202] Particular complaint is made, however, of that portion of section 2 of the act which directs that proper provision must be made in the reorganization plan for the payment of correspondent banks on terms acceptable to them. It is said that this will enable these correspondent

banks to enforce preferential payments to them, although unsecured, and thereby to produce an inequitable discrimination as against other unsecured creditors and depositors. There might be more than one answer to this contention, but it is sufficient to say here that, as heretofore stated, the correspondent banks in this case were all secured by ample collateral, and had been paid in full before this petition for reorganization was presented. The stated provision is, therefore, not involved in this case; and it is elemental that a constitutional complaint cannot be considered by the court when there are no facts in the particular case which would make the complaint other than an academic discussion.

The only serious difficulty in considering the plan of reorganization adopted here is as to that portion of it dealing with the stockholders' liability. The bank had been capitalized at $200,000. During the more than two years that the bank had been in liquidation appellee had been able to collect only about $27,500, and the evidence shows that it was doubtful whether more than $55,000 could ever be collected on this liability, and this over a period of from two to six years. It was proposed, and the plan embraced the proposal, that those of the old stockholders who could do so, would pay in fifty percent of their old stock, and up to the sum of $55,000 in new money, this to constitute the capital stock of the reorganized bank, and that those so paying should be released of the remainder of their stock liability except of course they would, as to that fifty per- [fol. 203] cent, be again liable for that amount on their new stock. The plan embraced the further feature that the $90,000 of old stock not participating in furnishing the required new capital would remain liable as if no reorganization had been effected.

The first and preliminary question upon this issue is one of fact, whether to accept this arrangement and the assurance which it furnished, surrendering the nominal stock liability of $110,000 represented by the stockholders who raised the new capital, would be more advantageous in ultimate returns to the depositors and creditors than to refuse the plan and let the whole matter be worked out in the ordinary course of liquidation. The witnesses estimated that from ten to twenty per cent more would probably be realized from the fifteen hundred thousand dollars, approximately, in remaining assets by the proposed reor-

ganization than by a continuance in ordinary liquidation, and this testimony was undisputed. And thus the second and final question is presented whether any plan of reorganization of an insolvent bank can be availed of which releases any class of stockholders in the original bank of any part of their stockholders' liability, whatever may be the consideration therefor. Appellants contend that this cannot be permitted, for so to do would be to impair the obligation of contracts.

That the legislature in enacting the reorganization statute contemplated that the court should have power to allow an adjustment or readjustment of the stockholders' liability upon a fair and reasonable basis under all the circumstances of each particular case must be accepted as an inescapable conclusion. The legislature knew in enacting the reorgaization statute that it would be next to impossible [fol. 204] to reorganize an old bank with entirely new stockholders, and with those having no connection as such with the old bank. Such new stockholders with new capital would, in all probability, organize instead an entirely new bank, disconnected from the wreckage of the old; and the legislature knew that old stockholders, as a rule, would not be interested in putting the entire amount of their stockholders' liability in cash in new stock in the old bank, and thereby become liable again for the same amount in a new stockholders' liability, in an effort to salvage the wreckage for the principal benefit of depositors. It must have been contemplated, therefore, that reorganization in nearly all cases would have to depend on old stockholders, and that those old stockholders, many of whom would not be coercible by judgment, would, in making the new effort, do so only upon opportunity, by some reasonable arrangement, to work out their own salvation, as well as that of depositors.

It is to be admitted that a stockholder in taking stock in a bank, at the time here involved, thereby became bound in contract to the statutory stockholders' liability in favor of depositors. At the same time the depositor, when becoming such creditor, knew that this contract was one made not only as a part of the existing laws providing for the administration of that liability in favor of all depositors,

and ratably among them by state agencies designated by law for that purpose, but also that the contract so made and the liability so incurred was one subject to subsequent laws reasonably enacted or to be enacted under the sovereign power of the state to legislate and to administer in the vital interest of the general welfare. Milner v. Gibson, 61 S. W. (2nd) 273; Christensen v. Merchants Bank, 150 [fol. 205] So. 375; Love v. Mangum, 160 Miss. 590, 597; Home Bldg. Ass'n. v. Blaisdell, 54 S. Ct. (U. S.) 231. And to say that, so long as a minority, however small, objects, no arrangement may be made by which the stockholders' statutory liability may be transmuted into another form of substantial assurance, given upon fair and reasonable consideration furnished in the arrangement by the particular stockholders immediately concerned, and producing greater benefits to the depositors, and that no law can so contemplate or authorize, although passed in the vital interest of the public welfare and for the distinct good of the greater number of those in immediate beneficial interest, would be to deny the right of the state to legislate in a reasonable and practical manner in respect to matters even of a public nature, and of a distinctly public concern, because there may be a formal intrusion thereby upon the literal terms of the constitutional provisions in reference to the impairment of contracts. That we have now passed beyond that era when such literal and rigidly technical objections may be sustained, in matters of the nature here before us, and when, in ultimate results, beneficial rights have been substantially preserved, is disclosed and demonstrated by modern cases, as, for instance, the recent decision in Home Bldg. Ass'n. v. Blaisdel, 54 S. Ct. (U. S.) 231, commonly referred to as the Minnesota case, and the cases cited in that opinion. In considering the constitutional guaranty against impairment of contracts, courts now definitely look to substance rather than to form—realization upon the value or worth of the contract is the concern of the guaranty, not that any particular method for that realization shall be preserved. As bearing directly upon the question of stockholders' liability, see Re Farmers Exch. Bank, 55 S. D. 190; Nagel v. Ghinger, 171 Atl. 65; Milner v. Gibson, [fol. 206] supra; and compare Andrew v. Merchants Bank, 205 Iowa, 712; Christensen v. Merchants & Marine Bank, 150 So. 375.

We say finally, therefore, of the discussion upon the question of stockholders' liability, and we may have likewise so answered as to the entire of this controversy upon the merits without any elaboration of discussion, that unless the complaining depositor can show that he has been substantially injured in ultimate results, has in fact been actually hurt by the reorganization and the plan thereof, he has no right to complain whether upon constitutional or statutory or administrative grounds.

It is fundamental in all our laws of chancery procedure that before any person may complain or sue in any equity court, he must set up a cause of action of which an essential element is that he must show that he has been injured, that what has been done results in actual harm to him; Federal Land Bank v. Miss. P. & L. Co., 157 Miss. 737; and the like rule applies to all those who object to what has been done in any given situation, whether in the chancery court or on appeal. This elemental rule fully applies also upon constitutional contentions, as was expressly recognized by this Court in New Orleans M. & C. R. Co. v. State, 110 Miss. 290, 305, the Court there having under consideration a constitutional question, and wherein having stated the general rule, as above mentioned, the Court summarized it in the terse expression that, "One must be hurt before he complains." The petition in the case now before us showed, the evidence established, and the court adjudged, that the plan and its execution would result in a substantially greater benefit to the *g*ive thousand depositors, of whom only two [fol. 207] are the appellants here, than had the plan not been adopted. And the case being, therefore, that the appellants are not hurt or injured in any substantial way, it follows that they are not in a position to complain.

Affirmed.

Anderson, J., disqualified, takes no part.

[File endorsement omitted.]

[fol. 208] IN SUPREME COURT OF MISSISSIPPI

In Banc

No. 31,010

B. L. DUNN, et al.,

vs.

J. S. LOVE, Supt. Banks

DISSENTING OPINION—Filed June 5, 1934

ETHRIDGE, J., Dissenting:

I cannot agree to the disposition of this case made by the majority of the Court. I think the proceeding here was not warranted by chapter 251, Laws 1932, and that what was done in this case was contrary to some of the provision- of the chapter. I also think that there was an insufficient and unathorized notice to the depositors of the bank; and, as the hearing was in vacation, and not in term time, and the order setting it for hearing in vacation was not made in term time, that notice must have been given in the manner provided by some valid statute of the state. I also think that if chapter 251, is to be given a retroactive construction, and made to apply to liquidations instituted before the enactment of the statute, the statute is unconstitutional, as impairing the obligations of contracts; and that it also violates the provision- of the state and federal Constitutions as to due process of law, and deprives the depositors of property without due process of law; and that under some of the provisions of chapter 251, and especially section 2 thereof, there is a denial of the equal protection of the law.

The majority opinion does not set forth the scheme involved in this litigation. The bank was closed for liquida- [fol. 209] tion, as shown by the majority opinion, prior to the enactment of chapter 251, and the provisions of that act should not be applied to the proceedings here. In order to get a clear understanding of what is involved in this suit, it is necessary to set forth briefly the outline of the scheme proposed.

The Superintendent of Banks filed with the chancellor of the district in which the bank was located, and under whose

jurisdiction it was being liquidated, a petition for the reorganization of the bank. It set up that the bank had been in liquidation since the 24th day of December, 1930, and that no dividends had been paid to the depositors and common creditors of the bank; but that all bills payable due by the bank to other banks had been paid; also all preferred claims which had been established. That since the closing of the said bank for liquidation some of the creditors and stockholders, acting in conjunction with petitioner, his agents and assistants, and with some of the depositors' committee, have made efforts to rehabilitate the affairs of said bank, and put it in a solvent condition, thus enabling it to reopen for business. That the bank so closed for liquidation had total assets and liabilities of $2,477,114.78. That since the closing of the bank for liquidation, the bills payable of said bank in the amount of $427,500.00, principal sum, rediscounts amounting to $30,000.00, making a total of $457,500.00, together with interest accrued thereon, and all charges for expense of collection by corresponding banks holding same, have been paid; and that the said Peoples Bank & Trust Company now owes no outstanding bills payable, nor is it indebted for rediscounts. That at the time of the closing of the bank for liquidation there was on deposit in said bank public moneys which are preferred claims under the statute, approximately $200,000.00, which [fol. 210] have also been paid. That there are no preferred claims against the bank except a named claim for $2,631.02, which had been adjudged to be a preference, but which at the time of the presenting of the petition was pending on appeal in the Supreme Court.

It is further alleged in the petition that the officers, directors and stockholders of the Peoples Bank & Trust Company agreed with the depositors on a plan for the reopening of the bank, as outlined in the depositors' agreement, copy of which is attached, marked Exhibit 2, to the petition, which will be referred to later; that the depositors' agreement had been signed by a large number of the depositors and creditors of the Peoples Bank & Trust Company, in excess of seventy-five per cent of the amount of deposits and claims against that bank, there being no deposit of public moneys; the agreement being to reduce the balances due them on their deposits to the amount of 25% thereof, this to be a charge against the reopened bank, and to be paid as follows: (a) 5 per cent of the original

amount (or 20 per cent of the depreciated amount) as of date of opening; (b) balance to be paid in instalments whenever collections have been made from the assets taken over from the closed bank shall equal 5 per cent of the present outstanding deposits. All deferred payments are to be without interest. The remaining 75% of said deposits and claims to be charged off against said bank, and set up as special accounts, which are not to be obligations of the reopened bank, but are to participate pro rata in the distribution of certain assets designated as "pool assets", as collected, as hereinafter set forth. That the margin created by the charging out of the 75% of the balances of deposits is to permit the Superintendent of Banks and the directors of the Peoples Bank & Trust Company, with the [fol. 211] approval of the chancery court, to charge out the assets of the bank loans and discounts and other items that are considered uncollectible and of doubtful value at this time, with the understanding that the assets so charged out will be carried in a special account by the bank under the jurisdiction of the chancery court, and collected pro rata for the benefit of the depositors and creditors whose deposits and claims have been depreciated in accordance with the terms of the freezing agreement signed by depositors and creditors.

It is further alleged that under the terms of the agreement the bank was to complete the liquidation of such assets, known as the "Pool assets", under the jurisdiction of the chancery court subject to the supervision of the Superintendent of Banks, and to receive for such handling and collection 10% of the amount collected, and attorneys fees and costs.

It was further provided in the agreement that the stockholders' liability would be released to such of the stockholders as paid 50% thereof; but that the liability of those who did not agree to the reorganization would remain at 100%. It was further provided that approximately $10,000.00 collected from stockholders in excess of 50% of their liability as such, would be returned to them; and, further, that where stockholders had secured their stockholders' liability with collateral, on payment of 50% of the amount of such liability such collateral would be released to them, and they would be released from 50% of their liability on the payment of 50%.

It was further provided in the agreement that the assets of the bank in liquidation, the stocks, bonds and other [fol. 212] obligations held as assets, would be turned over to the reorganized bank to the amount of $467,214.50, carried at a valuation of $216,892.08; and that of the 25% assumed by the reorganized bank, four-fifths would be collected from these assets, the bank as reorganized agreeing to assure collection of as much as $7,500.00 per year, said bank retaining the interest upon such assets during such period as it held them for collection; but if the bank realized more than $216,892.08 from said assets turned over to the reorganized bank, the difference would be paid into the "pool assets". There was certain real estate held by the bank, on which it was also to have the rents during the period in which it held them, and was to have the privilege of buying such property with the approval of the court.

The bank was originally capitalized at $200,000.00, and the stockholders liability at the time of closing amounted to that sum. At the time of the filing of the petition in court the bank had cash in the amount of approximately $109,000.00, which was in excess of the 5% cash which it agreed to pay depositors and creditors under the proposed agreement. The bank, as reorganized, on paying the 25% agreed to be paid, without interest, was to be freed from further obligations to its depositors and creditors.

The petition as originally filed with the chancery court does not show the names and addresses of the depositors; and the order of publication made by the chancellor, or under his direction, does not contain the names and post-office addresses of the depositors, nor does it show where such depositors live. The petition filed by the Superintendent of Banks does not disclose what assets were to be turned over to the bank, and what particular assets were to be placed in the pool; but on motion made by the ob- [fol. 213] jectors, a statement was made up and filed, giving the securities which were to be turned over to the bank, and those which were to be turned over to the pool. The decree of the chancery court on this hearing ratified and approved the scheme of reorganization as set forth, and discharged the bank and the Superintendent of Banks, and the agent of the banking department administering the affairs of the bank and their bondsmen, from further liability.

Chapter 251, Laws 1932, in substance, provides that the Superintendent of Banks may be authorized to reopen any closed bank, with the approval of the chancery court of the county in which the bank is situated, or the chancellor in vacation when at least three-fourths of the depositors and creditors therein, or any number of depositors and creditors holding three-fourths of the deposits in or claims against said bank agreed to the reopening therof, and to accept repayment of their deposits and claims over a period of years, with or without interest, whenever the Superintendent of Banks is convinced that such bank is in a solvent condition, and can repay the amount in accordance with the terms of the agreement for the repayment of the same. But before any such bank shall agree to reopen, the entire plan of reorganization, and any facts connected therewith, shall be submitted to the chancery court, or to the chancellor in vacation, by the Superintendent of Banks, by proper petition, such petition containing a statement of the assets and liabilities of the bank, and such other information as may be necessary to convey to the court or chancellor the true facts with reference to the condition of the bank, to obtain the approval of the chancellor.

[fol. 214] It is provided in section 2 of this chapter that: "When any closed bank has been reopened as herein provided, the general depositors and creditors thereof who have not expressly agreed to accept the repayment of their deposits and claims in accordance with the freezing-of-deposits plan shall be bound to accept repayment of their deposits and claims on the same basis and at the same rate as those general depositors and creditors who have signed the freezing-of-deposits agreement, but this shall not apply to public depositors or to those depositors and creditors holding preferred claims, or secured claims, nor to correspondent banks holding bills payable of the closed bank. Proper provision must be made in the plan for the reopening of such bank to pay public depositors, depositors and creditors holding preferred claims and secured claims, and correspondent banks, on terms acceptable to them; but any arrangement so made shall not operate prejudicially to the rights of the general depositors and creditors of the bank."

It is provided in section 3 of the act: "That this act shall not be construed to give the Superintendent of Banks

the right to diminish the assets of a closed bank to the prejudice of the depositors and creditors thereof, and any assets that may be charged out as doubtful or as losses shall be held by the bank and collected for the benefit of its depositors and creditors, and all amounts so collected shall be held by the bank to be paid to them in accordance with the agreement for the repayment of their deposits and claims."

It will be readily seen from this last section that the assets of the closed banks shall not be diminished "to the prejudice of depositors and creditors." Here the scheme [fol. 215] did diminish the assets by releasing half of the stockholders' liability, which liability is solely for the protection of depositors, and not general creditors. It also releases the reorganized bank from its previous personal liability, and releases all its future acquired property from the obligation to pay its depositors and creditors; it also gives to the bank, instead of to the creditors and depositors, the interest on the assets turned over to the bank, from which to collect the 25% which it agreed to pay its depositors and creditors. And it gives the bank 10% of the amount collected from the pool assets, plus the expense of collecting same, including attorneys' fees. The act does not contemplate that any such scheme would be approved, nor that the bank would be compensated for performing its duty to its creditors; which amounts to the taking of assets belonging to the depositors and creditors. No new capital is to be paid in.

The act does not provide anywhere for the giving of notice to the depositors and creditors to appear at the hearing and contest or litigate the application for reorganization. The notice must therefore be found in some statute, and I have not been able to find a statute authorizing the giving of notice, as was here done by the chancellor. Careful examination of all statutes bearing upon the subject fails to disclose any authority in the chancellor to provide such notice as was here directed to be given. Chapter 143, Laws 1932, is entitled, "An Act to authorize the chancellor and chancery clerk, by special order in each case, to fix the return day for summons, in all matters which the chancellor or the clerk is authorized to hear and decide in vacation, and to require the defendant in

each such case to answer or demur by or before the hour of noon on the return day of such summons, duly executed."

[fol. 216] The statute in full reads as follows:

"Section 1. Be it enacted by the Legislature of the State of Mississippi, That in every matter or cause which the Chancellor, or the Chancery Clerk, is authorized by law to hear and decide in vacation, the summons for the defendant or other adverse party, or party in interest not joining in the bill or petition, unless otherwise expressly provided by law in such particular form or proceeding, may be made returnable at such time as the Chancellor or the Clerk, as the case may be, shall by special order direct; and in every such matter or cause the summons so directed by the Chancellor to be issued, shall require the appearance of the defendant or other adverse party, or party in interest not joining in the proceeding, at such place, within his district, as may be designated in such special order. The summons, unless otherwise especially provided by law in such particular proceedings, shall be executed five days before the return day thereof, and promptly upon such execution returned by the officer executing same to the Clerk who shall immediately give notice of such return, and the character of same, to the Chancellor at his office by mail postage prepaid, in cases pending before the Chancellor. But if such summons be not executed in the manner and for the time required by law as herein provided, another order may be made on the return day thereof by the Clerk in matters pending before him, directing alias or pluries summons to issue returnable as herein designated and so continue until all defendants or other parties in interest be duly summoned; and in cases pending before the Chancellor wherein original process shall not be executed in the manner and for the time required by law as herein provided, the Chancellor may, after notice furnished by the Clerk, as hereinabove provided, make a special order on the return day by previous order fixed, directing the issuance of alias [fol. 217] or pluries summons returnable as may be designated by such order, and so continue until all defendants or other parties in interest shall be duly summoned.

"Sec. 2. That in every matter or cause before the Chancellor, or Chancery Clerk, in vacation, where the summons is made returnable as required by special order of the

Chancellor or the Clerk, as the case may be, the defendant or other adverse party shall appear and answer or demur, after process duly executed, by or before the hour of noon on the return day of such process, unless further time be granted; and in default thereof, the Chancellor or the Clerk, as the case may be, may proceed to hear and decide such matter or cause; or may, by special order, continue and reset the same for hearing and decision, either in vacation or in term time, without further or other notice than such order entered on the Clerk's vacation minutes."

It will be seen from this statute that it contemplates the service of summons upon all parties resident in the state, and publication for non-residents, and does not authorize a chancellor to formulate an independent scheme of notice.

Chapter 58, Code 1930, being the chapter on process, provides for summons and for publication in various cases. Section 2965 of the Code provides that, "A summons shall not issue in any case at law or in chancery until a declaration, bill, petition or other pleading beginning the case shall be filed. The process to bring in defendants, at law and in chancery, shall be a summons, and it shall command the officer to summon the defendant to appear and answer on the return-day."

Section 2969 provides for summons in cases in chancery, to be made returnable on a rule day in vacation sufficiently [fol. 218] distant in time to admit of due service thereof, or on the first day of the next regular day, etc.

Section 2972 provides for a summons by publication, and that in a proceeding in the chancery court it shall be shown by affidavit filed, that a defendant is a non-resident of the state, or not to be found therein, and the postoffice of such defendant to be stated in the bill or petition; or if it be stated therein to be unknown to the complainant or petitioner after diligent inquiry, etc., the clerk shall promptly prepare and publish a summons to such party to appear and defend the suit on a rule day in vacation, or on the first day of the next regular term, if thereby the answer of the defendant would be the earlier required.

Section 2973 of the Code provides how unknown and non-resident defendants may be brought into court. And section 2977 thereof provides for a substitute publication when newspapers will not publish the notice for the compensation provided by law.

A careful reading of the whole statute will show that the publication here made was not authorized by any statute, and it is necessary for a statute to prescribe how such process shall be issued, and this must be found in the law itself. A chancellor cannot take the place of the legislature; such authority cannot be delegated, and there has been no attempt to delegate it in the manner in which it is attempted to be exercised in this case. In J. J. Newman Lbr. Co. v. Pace, et al., 137 Miss. 504, 102 So. 570, it was held that the chancery court is without power to hear and determine a cause in vacation without the consent of the parties thereto. To the same effect is Y. & M. V. R. Co. v. Lawler, 130 Miss. 421, 94 So. 219.

[fol. 219] See, also, upon the subject of publication and process in lieu of summons, Ponder v. Martin, 119 Miss. 156, 80 So. 388; Langstaff v. Durant, 122 Miss. 471, 84 So. 459; Penoyer v. Neff, 95 U. S. 714, 24 L. Ed. 565, and notes on these cases contained in the Law Edition.

In Cooley's Principles of Constitutional Law, 3rd Edition, page 243, in discussing the question of notice and hearing as a part of due process of law, it is said: "To quote the words of an eminent advocate and stateman, 'Everything which may pass under the forms of an enactment is not to be considered the law of the land. If this were so, acts of attainder, bills of pains and penalties, acts of confiscation, acts reversing judgments, and acts directly transferring one man's estate to another, legislative judgments, decrees, and forfeitures in all possible forms, would be the law of the land. Such a strange construction would render constitutional provisions of the highest importance completely inoperative and void. It would tend directly to establish the union of all the powers in the legislature. There would be no general permanent law for courts to administer or men to live under. The administration of justice would be an empty form, an idle ceremony. Judges would sit to execute legislative judgments and decrees, not to declare the law or administer the justice of the country.' And he gives us a definition of his own, in the concise and comprehensive language of which he was so eminently the master: 'By the law of the land is most clearly intended the general law—a law which hears before it condemns, which proceeds upon inquiry, and renders judgment only after trial. The meaning is that every citizen shall hold his life,

liberty, property, and immunities under the protection of the general rules which govern society.' ''
[fol. 220] See, also, Cooley's Constitutional Limitations, 8th Ed. page 736, 6 R. C. L. 433, section 442, et seq.; 12 C. J. page 1188, et seq.

It is intimated in the majority opinion, but not held, as I understand, that the liquidation of the bank was already in the chancery court, and that the parties were in court. This certainly is not the law where the hearing is not to be had in term time. I do not think it competent, in a proceeding in liquidation or receivership, to make a final order in the administration of the liquidation of a bank, or in a receivership, without giving parties direct and statutory notice of the time and place of the final hearing. A hearing without notice, even in appointing a receiver, is not to be had except in the gravest emergency where delay would be disastrous. See Burton v. Pepper, 116 Miss. 139, 76 So. 762.

The case of Christensen v. Merchants and Marine Bank, 150 So. 375, mentioned in the majority opinion as possible authority for their opinion, has no application to a proceeding of this kind. In that case Christensen and other depositors filed an original bill in the chancery court, attacking the proceeding there. It was not a case where the court had undertaken to wind up the liquidation of a bank, reorganize a bank, and make a final adjustment between the bank and its depositors and creditors. Had the objectors in the present case filed a bill in chancery against the State Superintendent of Banks, and the bank in liquidation and its officers and directors, a different question would be presented, and they would be in court, and would be required to bring the necessary parties into court.

I think the act here applied to banks already in liquidation would be a violation of the obligations of a contract. [fol. 221] The obligations of a bank to its depositors are determined by the law in force at the time the deposit was made, and at the time the bank was taken over for liquidation as an insolvent institution. It would seem that under decided authority there could be no question about the obligations of a contract being measured by the law in force at the time the contract was made. In McCracken v. Hayward, 2 How. U. S. 608, 11 L. Ed. 397, it was held that the obligation of a contract, within the meaning of a

constitutional provision, depends upon the laws existing at the time it was made. In U. S. ex rel. Hoffman v. Quincy, 4 Wall. 535, 18 L. Ed. 403, it was held that by the obligations of a contract is meant the means afforded by the law for its enforcement at the time of its creation. In Hendrickson v. Apperson, 245 U. S. 105, 38 Sup. Ct. 44, 62 L. Ed. 178, it was held that the obligation of a contract, in the constitutional sense, is the means provided by law to enforce its performance by the parties thereto. Whatever legislation lessens the enforcement of the contract impairs the obligations; and if it tends to postpone or retard the enforcement of the contract, the obligations of the contract are, to that extent weakened.

In Murray v. Charleston, 96 U. S. 432, 24 L. Ed. 760, it was held that the obligations of contracts, within the meaning of the constitutional provision against impairment thereof, depends upon the terms and the means which the law in existence at the time affords for their enforcement.

In Selover B. & Co. v. Welsh, 226 U. S. 112, 57 L. Ed, 146, 33 Sup. Ct. 69, it was held that the obligation of a contract is the law under which it was made. In Johnson v. Fletcher, 54 Miss. 628, it was held that the legislature can- [fol. 222] not increase the exemptions of the existing debts, and that the act of February 12th, 1875, Laws 1875, page 22, does not protect the additional property enumerated therein from the debts existing before its passage. In Minor v. Interstate Gravel Co., 130 Miss. 553, 94 So. 3, it was held that under section 2146 of the Code of 1906 homesteads are exempt from execution by attachment, but prior covenants, or covenants running with the land defeat the homstead exemptions subsequently arising. It was held that an option to purchase lands is a covenant running with the land, and is enforcible against the grantor before or after he marries and occupies it as a homestead. It is also held that such covenant, running with the land, is superior to the homestead right acquired after the execution of covenant. To the same effect is the decision of the United States Supreme Court in Leonidas v. Kearzey, 96 U. S. 595, 24 L. Ed. 793; Gunn v. Barry, 82 U. S. 610, 21 L. Ed. 212; Seibert v. U. S., 122 U. S. 284, 30 L. Ed. 1161. See, also Fisk v. Police Jury, 116 U. S., 131, 29 L. Ed. 587, 6 Sup. Ct. 329; Robertson v. Miller, 72 L. Ed. 517, 144 Miss. 614, 109 So. 900.

It will be seen from the substance of the depositors' agreement, and the laws in force prior to the enactment of section 251, Laws 1932, that the stockholders of a banking corporation were liable to an amount equal to the shares which they own. This liability was for the benefit of the depositors only, and each depositor has a right to have it collected and applied to the satisfaction of depositors. Also, the bank itself was liable to its depositors and creditors; and not only were its assets then owned subject to this liability, but all of its future acquired earnings were subject to be applied to it. The removal of these rights from the reach of the depositors and creditors is certainly an impairment of obligations of a contract where their rights [fol. 223] had become vested, as they did, by the closing of the bank for liquidation. The depositors and creditors, at the time the bank was closed for liquidation, and at the time their deposits were made, had a right to demand the full amount of their deposits. It was a debt owed to the depositors and creditors by the bank at the time of its insolvency, and they had a right to stand upon their contract as it then existed. They could not be compelled to take something less than their demand in full satisfaction thereof.

By article 1 of section 10 of the Federal Constitution, the states are prohibited, among other things, from making anything but gold and silver coin a tender in payment of debts. What the chancery court has done here is not to give the depositors and creditors a money payment for their demand, as it existed when the contract of deposit was made, and at the time the bank went into liquidation; but it compelled them to accept 25% of their demand in money, and for the rest, to accept a pool of assets of very doubtful value in satisfaction of 75% of their demands. In the light of the authorities, this certainly would seem to be a most serious impairment of the obligations of contract.

Recurring to chapter 251, Laws 1932, I think the act is clearly, as to the depositors here involved and possibly even as to future depositors, a denial of the equal protection of the law. The common depositors and the common creditors are compelled by statute to accept whatever either three-fourths of the number of creditors agree for them to accept, or, in the alternative, whatever a lesser number having three-fourths of the credits involved, determine is

best for them to take. Whereas the correspondent bank, although a simple creditor, and having a simple demand [fol. 224] not secured by collateral or pledges, is not compelled to accept such settlement. The terms must be acceptable to such banks, and they may prevent, at their sweet will, a scheme from becoming effectual until they have been paid in full, as seems to have been done in the present case. By the very terms of the act it is not to apply to all persons in the same situation, but as to public depositors, or those depositors and creditors holding preferred claims or secured claims, or correspondent banks, although holding no preferred claims and no securities, the act shall not apply at all. It favors a bank which is a common creditor, having checks and other obligations or collections with the bank when it closed, granting to it favors at the expense of all others.

It seems to me that the violation of the Constitution, on the facts as they exist in this case, is too clear for doubt. With due regard to the views of my brethren, and of the courts which decided Milner v. Gibson, 61 S. W. (2nd) 273, and McConville v. Fort Pierce Bank, 135 So. 392, I cannot consent to let emergency, or even a desperate situation, divert the Constitution from its full and fair operation. The Constitution has been applied in many critical situations, and the principles have not proved hurtful to the general welfare. I am not willing to consign constitutional government to the scrap heap, and return to the age-old practices of autocracy and caprice. I am not willing to dance the Carmagnole in glorification of uncharted and reckless revolution. In my opinion this is a time when the courts should hold firm to constitutional principles, and afford to all litigants their full rights. I do not see how banking can be improved by ignoring the rights of depositors, and lessening the disposition of people to deposit in banks which, if anyone, are responsible for the plight in [fols. 225-232] which they find themselves in this unfortunate period of general depression. It seems to me that the policy of the law has wisely been to give depositors fair treatment and reasonable security; and that we are annulling in our decision some of the most important constitutional safeguards that have been set up by our forefathers for our guidance and protection. I regret the general disposition which seems to be current in public think-

ing, and which is affecting the judiciary of the entire country, to treat lightly constitutional principles. It seems to me that, in going as far as we have, constitutional protection has been practically disregarded.

Goodbye, dear old Constitution, I hate to see you go.
You have been a good companion; I have learned to love you so.
Give me your parting blessing before I breast the wave
Of Revolution's stormy waters, Caprice's rebellious slave;
Before I face advancing Anarchy's dark tempestuous tide,
With no friendly port to shield me, and no polar star to guide.

[File endorsement omitted.]

[fols. 233 & 234] Citation in usual form showing services on J. S. Love, filed Nov. 23, 1934, omitted in printing.

[fols. 235-250] [File endorsement omitted]

IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

PETITION FOR APPEAL—Filed Nov. 5, 1934

To the Honorable Sidney Smith, Chief Justice of the State of Mississippi:

Comes the petitioners, Mrs. Oscar C. Doty and Roy D. McCarty, administrator of the estate of Mrs. Nannie McCarty, deceased, principal appellants, and O. C. Doty, L. P. McCarty, and Roy D. McCarty, sureties on the appeal bond to the Supreme Court of the State of Mississippi, who feeling aggrieved by the judgments rendered in the above styled cause on the 25th day of June 1934, and the 2nd day of October 1934, and hereby pray an appeal from said judgments to the Supreme Court of the United States, for the reasons set forth in the assignment of errors and statement of the grounds of jurisdiction filed herewith.

Appellants respectfully show to the court that since the rendition of the judgments in this case that Mrs. Nannie McCarty, one of the appellants, has departed this life intestate, and that Roy D. McCarty has been duly appointed administrator of her estate by the Chancery Court of Lee

County, Miss., and has been authorized by the Chancery Court of said county, to prosecute this appeal, as shown by certified copy of the decree of the court authorizing said appeal filed herewith.

Therefore appellants pray that their appeal be allowed and that citation be issued, as provided by law, and that a transcript of the record, proceedings and documents upon which said judgments were rendered authenticated according to law, be sent to the Supreme Court of the United States under the law and rules in such case made and provided; and your petitioners further pray that the proper order relating to the required security and granting of an appeal, without supersedeas, be made therefor.

And, as in duty bound your petitioners will ever pray.

E. C. Sharp, Geo. T. & Chas. Mitchell, Attorneys for petitioners.

[fol. 251] [File endorsement omitted]

IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

ASSIGNMENT OF ERRORS—Filed Nov. 5, 1934

Appellant assigns the following errors:

1st. Chapter 251 of the Laws of Mississippi, 1932, is unconstitutional as construed by the Supreme Court of the State of Mississippi.

Appellants urge and assign as errors the action of the court in permitting the Peoples Bank & Trust Company of Tupelo, Miss., to reopen under the provisions of Chapter 251 of Laws of 1932, upon the terms and conditions set out in the petition to reopen, which plan was approved and sustained by the Supreme Court of the State of Miss., and in so doing and by such construction of said Chapter, appellants were deprived of their property without due process of law, and their rights and privileges were abridged in violation of Section 1 of article 14 of the Constitution of the United States.

2nd. Said Chapter 251 of the Laws of Mississippi, 1932, as construed and applied by the Supreme Court of the State of Mississippi, violates article 5 of the Constitution of the

United States, by taking the private property of appellants for a so called public use without just compensation being made to appellants.

3rd. Said Chapter 251 of the Laws of Miss., 1932, as construed and applied by the Supreme Court of the State of Mississippi, violates Section 10 of the Constitution of the United States, in that it makes things other than gold and silver coin tender in the payments of debts due appellants and impairs the obligations of the contracts entered into between appellants and the Peoples Bank & Trust Company of Tupelo, Miss.

[fols. 252-254] 4th. Said Chapter violates article 1, Section 8, paragraph 4 of the Constitution of the United States, in that said Chapter attempts to provide for the discharge of debts as in bankruptcy contrary to the provisions of the above mentioned article of the Constitution of the United States.

5th. Said Chapter 251 of the Laws of Mississippi, 1932, as construed by the Supreme Court of the State of Miss., violates Section 14 of the Constitution of the State of Mississippi, which provides that:

"No person shall be deprived of life, liberty, or property except by due process of law."

6th. Said Chapter violates Section 16 of the Constitution of the State of Miss., which provides that:

"Ex post facto laws, or laws impairing the obligation of contracts, shall not be passed."

7th. The Constitution placed upon said Chapter by the Supreme Court of the State of Mississippi, violates Section 17, of the Constitution of the State of Mississippi, which provides that:

"Private property shall not be taken or damaged for public use, except on due compensation being first made to the owner or owners thereof, in a manner to be prescribed by law; and whenever an attempt is made to take private property for a use alleged to be public, the question whether the contemplated use be public shall be a judicial question, and, as such, determined without regard to legislative assertion that the use is public."

Respectfully submitted, E. C. Sharp, Geo. T. & Chas. Mitchell, Attorneys for Appellants.

[fol. 255] [File endorsement omitted]

IN SUPREME COURT OF MISSISSIPPI

[Title omitted]

ORDER GRANTING APPEAL—Filed Nov. 5, 1934

This day came on to be considered the petition of Mrs. Oscar C. Doty, and Roy D. McCarty, administrator of the estate of Mrs. Nannie C. McCarty, principal appellants, O. C. Doty, L. P. McCarty, and Roy D. McCarty, sureties on the appeal bonds to the Supreme Court of the State of Mississippi, who feeling aggrieved by the judgments rendered in the above styled cause in this court on the 5th day of June 1934, and the 2nd day of October 1934, and the Chief Justice of the Supreme Court of the State of Mississippi, having considered said petition and having reached the conclusion that said appeal ought to be granted:

And it further appearing to the Chief Justice of the Supreme Court of the State of Mississippi, that Mrs. Nannie C. McCarty, one of the principal appellants, has departed this life since the rendition of said judgments and that Roy D. McCarty has been duly and legally appointed administrator of her estate by the Chancery Court of Lee County, Miss., and that the said Roy D. McCarty as administrator of said estate has been authorized by the Chancery Court of Lee County, Miss., to prosecute this appeal:

It is therefore ordered that an appeal be, and it is hereby granted in said cause to the Supreme Court of the United States, to be held in the City of Washington, D. C. from the judgments heretofore filed and entered herein on the 5th day of June 1934, and the 2nd day of October 1934, without supersedeas, and that a certified transcript of the record and all proceedings in said cause be forthwith submitted to the Supreme Court of the United States.

[fols. 256-286] And, it is further ordered that the appeal bond without supersedeas be fixed by the court at $500.00, which bond has been filed herewith is hereby approved and stay of execution of all other proceedings is hereby granted.

Ordered and adjudged this the 5th day of November, 1934.

Sydney Smith, Chief Justice.

[fol. 287] IN CHANCERY COURT OF LEE COUNTY, STATE OF MISSISSIPPI

No. 6583

In the Matter of the Liquidation of PEOPLES BANK & TRUST COMPANY, of Tupelo, Mississippi, by J. S. LOVE, Superintendent of Banks

SUPPLEMENT

To the Petition for the Re-Opening of the Peoples Bank & Trust Company, Filed by Order of the Chancellor at the Hearing of Date of May 15th, 1933

Filed this the 16th day of May, 1933.
(Signed) Byron Long, Chancery Clerk.

[fol. 288] List of Loans and Discounts Carried in Re-Opened Bank

"A"

Name	Number	Amount
A. L. Abernathy	87390	$383.26
T. A. Abernathy	87651	386.47
A. C. Adams	87852	462.62
A. C. Adams	87853	910.98
J. J. Adams	87496	33.50
L. W. Adams	87306	360.24
R. F. Adams	87854	812.39
R. F. Adams	87860	246.57
Vard Adams	87862	99.27
W. A. Adams	85860	65.00
M. R. Akers	87801	30.00
Do	87802	50.00
Do	87803	50.00
Do	87805	50.00
Do	87806	50.00
Do	87807	50.00
Do	87808	50.00
Do	87809	50.00
Do	87810	196.95
W. C. Alred	87814	30.06
Dave Armstrong	86862	56.12
Geo. W. Armstrong	87719	89.74

"B"

S. T. Baggett	87307	39.63
C. B. Baker	87042	27.71
Do	87043	59.09
Charlie C. Baldwyn	87925	13.50
G. C. Ballard	75008	276.83
Do	75009	1,000.00
Do	75010	1,000.00
Do	75011	1,000.00
Do	75012	1,250.00
J. S. Ballard	87870	95.90
S. L. Ballard	87469	28.73
Clyde Barber	87818	15.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Do	87910	10.00
Do	87966	10.00
E. T. Barnett	87771	15.85
Keith Barnett	87822	12.37
O. R. Bates	87977	385.77
Do	87976	10.00
Dee Bean	87625	232.60
Tracy Bean	87300	149.63
W. H. Bean	87627	409.61
Do	87626	22.20
Louis Berryman	87498	45.10
D. W. Bethay	87137	132.35
Edd Bethay	87499	80.00
Betts Market & Grocery Co.	84003	100.00
Jessie B. Bickerstaff	87195	80.51
B. Black	87891	395.44
C. E. Black	87981	253.25
[fol. 289]		
Melvin Black	87871	196.16
M. L. Black	87500	13.33
Mrs. Vera Blair	78769	5,000.00
Do	78770	5,000.00
Do	78771	5,000.00
Do	86049	1,878.60
Do	86046	2,500.00
Do	86047	5,000.00
Do	86048	4,689.23
W. A. Blair	73531	4,515.61
Do	79123	84.40
C. P. Blythe	87869	42.10
Jeff M. Boggan	86945	49.60
Jno. M. Boggan	86814	1,399.07
J. W. P. Boggan	81593	235.44
Do	86594	789.58
Ida Bolton	87443	112.52
W. D. Bolton	87982	30.00
W. H. Bourland	87502	8.19
Bert Brewer	87750	45.00
J. W. Briley	79302	1,154.00
J. S. Brock	46271	1,354.89
S. W. Brooks	87784	385.32
W. T. Brown	85300	967.00
B. A. Brumley	87086	35.04
L. H. Bryan	87664	20.89
W. H. Bryson	84120	480.00
Jim Bucy	86035	1,728.10
Do	87128	782.54
T. G. Burgess	87505	87.20
Do	87506	180.40
Do	87837	1.00
E. D. Burk	87311	194.08
S. T. Burleson	87055	87.58
W. D. Burt	86659	400.00
W. A. Butler	86487	691.51
"C"		
Camp Creek School	83880	500.00
Homer Cantrell	87509	48.50
Roy Carroll	87855	77.24
Troy Carroll	87856	68.26
H. S. Carruth	87769	55.93
A. L. Cassell	86947	5.11

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
W. F. Caughran	87897	25.00
T. L. Caygle	85586	11.00
Cool Cayson	87917	2.50
C. R. Chisholm	85852	500.00
Do	85853	1,000.00
A. W. Christian	86762	357.35
Do	86761	357.35
R. C. Clark	87687	200.99
W. W. Clayborne	82120	3,398.78
Do	82121	3,750.00
Coy G. Clayton	87915	5.00
[fol. 290]		
Coy G. Clayton	87960	5.00
R. F. Coffee	86994	139.58
C. L. Coggin	87873	110.70
I. B. Coggin	87865	94.25
Miss Nobia Coggin	87841	20.68
Colbert Limerock Asphalt Co	85582	3,583.33
F. H. Collins	86229	369.42
Mrs. L. W. Collins	76390	5,724.55
S. G. Comer	87748	17.50
Troy Comer	87902	3.90
Do	87864	70.37
C. D. Conner	85999	1.26
Do	87674	140.92
V. Conoway	87275	278.88
W. H. Conwill	87913	9.09
W. N. Conwill	87516	58.47
C. O. Cooper	87517	25.69
T. C. Cooper	87519	64.64
O. L. Cox	87520	37.73
Peter Cox	87151	241.14
N. H. Crenshaw	87923	377.55
Geo. Crump	86313	265.57
L. F. Cummings	87934	10.00
Do	87935	5.00
Mrs. Jessie Cunningham	82357	164.13
Mary Frances Cunningham	87709	196.89
"D"		
C. M. Dabbs	87786	20.00
Do	87787	20.00
Do	87788	20.00
Do	87789	20.00
Do	87790	20.00
Do	87791	20.00
Do	87792	20.00
Do	87793	20.00
Do	87794	20.00
Do	87795	20.74
Josie Dabbs	87521	50.00
S. T. Dabbs	87522	22.00
W. T. Darling	81235	186.51
J. E. Davenport	87844	50.00
Do	87846	50.00
Do	87845	50.00
Do	87847	50.00
Do	87843	50.00
Do	87850	50.00
Do	87849	50.00
Do	87848	50.00
Do	87851	205.62

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
D. O. Davis	87753	200.00
G. W. Davis	87722	75.17
O. C. Davis	87840	67.60
Tom Davis	87238	180.66
E. H. Dean	87835	62.16
[fol. 291]		
R. B. Dean	83468	323.33
R. B. Dean	84359	184.33
R. L. Dean	87080	26.00
Boyd Dill	87956	130.97
Do	87956	7.50
Do	87957	10.00
H. G. Dodson	87623	192.52
W. T. Dugard	85169	11.00
C. E. Duke	87811	187.79
T. U. Duke	87058	35.05
Sam B. Durham	87778	75.23
H. G. Duvall	85016	172.94
"E"		
W. H. Eason	86899	792.02
Do	86900	314.74
Do	87941	6.80
W. L. Easterling	85958	4,500.00
J. M. Edwards	87885	77.04
J. B. Epting	83775	170.00
Equitable Finance	87838	125.00
Do	84113	1,570.48
Do	84115	234.82
Do	85034	1,373.31
Do	85035	2,835.52
E. H. Erwin	87287	77.31
Ernest Evans	80626	444.60
"F"		
J. T. Fennell	87975	104.25
Do	87974	17.50
Edwin C. Finley	85114	300.00
Mrs. Helen M. Foster	87620	198.04
D. W. Fowler	85592	100.00
E. F. Fowler	87530	33.38
H. H. Franks	87903	10.00
Do	87961	10.00
M. T. Franks	87762	93.22
Do	87904	10.00
Do	87962	10.00
J. W. Franks	87918	10.00
Do	87968	25.00
Marvin Franks	87765	42.25
Do	87907	10.00
Do	87958	5.00
Do	87959	10.00
Nolen Franks	87906	10.00
Do	87963	10.00
C. C. Franks	87969	10.00
Ulen Franks	87906	10.00
Do	87964	10.00
A. M. Furr	86618	260.00
J. D. Furtick	87708	1,094.72

[fol. 292]

List of Loans and Discounts Carried in Re-Opened Bank—Continued

"G"

Name	Number	Amount
Mrs. Irene E. Garmon	87136	5,758.80
Herman Goggans	87033	8.86
J. B. Goodwin	87532	50.29
Do	87533	25.56
Do	87534	31.54
V. S. Googe	84534	1,600.00
Velma Gracey	83814	125.00
W. W. Green	87870	136.38
Mrs. Daisy H. Grissom	86476	49.10
Guarantee Mortgage & Securities Company	85266	15,000.00
Do	86057	840.00
Sam J. Gunter	85699	55.51
J. W. Gurley, Jr	86389	52.24

"H"

Chester Hadley	87945	3.90
John Hall	86722	56.14
W. E. Hallmark	86443	103.22
Harris Drug Co	86773	603.70
C. P. Harris	78864	694.07
D. W. Harris	86993	27.30
J. R. Helms	87983	166.74
C. T. Henry	87540	20.30
A. L. Herndon	87539	41.00
S. J. High & Co. (D. W. Robins)	84985	2,500.00
Do " " "	84986	2,500.00
Do " " "	84987	2,000.00
Do " " "	85988	4,000.00
Do " " "	84990	3,000.00
Do " " "	.....	.....
Do (J. M. Thomas)	84991	2,000.00
Do " " "	84992	2,000.00
Do " " "	84993	2,500.00
Do " " "	84994	2,000.00
Do " " "	84995	2,000.00
Do " " "	85737	1,161.50
E. D. Hinds	85718	1,265.33
Stanley R. Hinds	85410	67.59
G. W. Hitt	85164	275.10
R. W. Holcomb	87826	201.48
C. M. Hood	87775	82.63
C. M. Hood	87774	52.44
Do	87779	56.06
E. Douglas Hood	85884	81.81
Do	87780	20.30
Needham Howard	87866	67.50
C. K. Hudson	84801	242.75
S. J. Huey	86599	254.78
E. B. Hulsey	87465	204.41
D. S. Hunter	87698	40.15
J. P. Hunter	78863	1,904.98

[Fol. 293] "J"

A. L. Jagoe	84123	4,650.00
T. A. Jenkins	85673	4,366.54
Cornelius Jernigan	87861	8.57
G. W. Jobe	87898	90.72
D. R. Johnson	85960	507.49
Jiles Johnson	87986	12.50
J. J. Johnson	66119	70.00
Do	87651	6.75

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
M. S. Johnson	87474	9.13
V. O. Johnson	84330	284.62
W. L. Johnson	87726	109.34
B. W. Jones	84955	1,600.00
J. W. Jones	87832	2,476.23
Wiley Jones	87901	76.54
Do	85355	50.00
Journal Review Publishing Co	87139	2,670.67
W. H. Joyner	86955	7.62
"K"		
B. C. Kennedy	87928	15.00
C. O. Kennedy	87230	14.90
Jno. Kilgore	87026	4,232.10
Do	87027	4,232.10
Do	87028	4,232.10
Do	87029	4,232.10
Do	87030	4,232.10
Do	87031	4,232.10
Linda J. Kincannon	85053	325.00
W. Oliver Kincannon	85879	50.12
J. F. Kingsley	87274	304.98
J. T. Kizer	81092	335.81
E. E. Knight	87154	380.52
W. C. Kyle	87366	388.55
"L"		
A. P. Lackey	87717	59.03
W. A. Laney	87859	196.83
H. M. Lauderdale	87727	30.00
L. C. Lawhorn	87900	230.73
Ross Lawhorn	87677	58.31
Miss Birdie E. Lawson	87652	149.87
J. H. Ledyard	86353	2,373.49
Do	83895	118.34
Do	86342	2,040.00
Do	86343	2,040.00
Do	86344	2,040.00
Do	86345	2,040.00
Do	86346	2,040.00
Do	86347	9,503.17
Do	86348	2,580.00
Do	86349	2,580.00
Do	86350	3,440.00
Do	86351	4,300.00
D. C. Lester	87059	188.91
C. E. Lilly	83600	2,224.43
Byron Long	79815	68.42
Do	80083	150.41
[fol. 294]		
Byron Long	86294	323.61
Do	86295	2,500.00
Do	86296	2,500.00
Do	86297	2,711.50
Do	86273	1,400.00
Do	86274	890.01
Do	86275	1,775.52
C. E. Long	87817	3,716.95
Do	82409	3,240.00
Do	86977	33.70
E. M. Long	87421	33.70
	86681	100.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Huey Long	87005	410.60
Do	87006	4,937.84
Do	87007	1,627.90
J. H. Long	81313	657.32
Do	81314	700.00
Do	81315	700.00
Do	87816	65.24
R. K. Logino	84516	663.86
A. L. Lowery	87219	239.50
J. A. Lowery	87215	1,200.00
Do	87216	1,200.00
Do	87217	1,200.00
Do	87218	1,168.00
J. T. Lucas	87092	120.00
Joseph H. Lumpkin	87833	534.65
J. M. Lumpkin	85135	555.35
S. E. Lumpkin	87759	190.61
Do	87760	325.53
[fol. 295] "Mc"		
Carl McCaleb	87109	20.00
L. P. McCarty & Son	85312	4,504.72
Ike McCollum	86998	428.36
Ike McCollum	86999	3,585.95
Ike McCollum	87000	4,235.56
Ike McCollum	87001	4,235.56
Ike McCollum	87002	4,655.43
E. G. McCoy	87812	65.00
J. H. McCullough	86611	59.48
R. H. McCullough	86854	514.11
I. W. McDaniel	87912	27.40
W. A. McDonald	84640	369.50
Anna L. McDuffie	87463	71.98
W. O. McGaughy	87552	1,924.65
Mrs. Jesse H. McGee	86522	1,536.43
Tyson McGee	85740	330.83
G. W. McQuire	85908	431.23
G. W. McQuire	85950	1,050.00
J. W. McKissack	80323	246.45
B. E. McLarty	87037	61.22
A. A. McLeran	64089	650.00
A. A. McLeran	84420	1,800.00
J. M. McWhorter	87767	97.94
"M"		
Guy Marlin	87481	25.00
J. E. Martin	87683	102.18
W. E. Martin	85505	513.43
W. W. Martin	85694	77.07
Mrs. Hattie K. Matthews	87257	17.50
Mrs. Hattie K. Matthews	84781	25.00
Mrs. Hattie K. Matthews	84782	25.00
C. H. May	84783	325.00
L. C. Maynard	87700	305.85
Lou Merritt	87756	23.10
Milam Mfg. Co.	87553	175.60
L. G. Milam	87868	157.10
L. G. Milam	86078	2,000.00
L. G. Milam	86079	2,000.00
L. G. Milam	86080	2,000.00
L. G. Milam	86081	2,000.00
	86082	2,000.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
L. G. Milam	85083	2,000.00
L. G. Milam	86084	2,000.00
L. G. Milam	86085	2,000.00
L. G. Milam	86086	2,000.00
L. G. Milam	86087	2,000.00
L. G. Milam	86088	2,000.00
L. G. Milam	86089	2,000.00
L. G. Milam	86090	2,000.00
L. G. Milam	86091	5,000.00
L. G. Milam	86092	3,991.66
T. M. Milam	87458	168.40
E. A. Mills	87978	52.18
E. F. Mills	87979	66.10
E. F. Mills	87980	132.56
H. F. (Hubert) Ming	87813	108.18
D. V. Mitchell	85668	282.62
[fol. 296]		
D. V. Mitchell	85667	212.33
Geo. T. Mitchell	85758	125.00
Geo. Monaghan	87556	15.00
James H. Monaghan and Mrs. M. E. M	87555	23.16
J. C. Monts	85728	10.25
J. N. Monts	87160	50.00
O. L. Monts	86692	81.66
J. M. Moore	87094	14.44
H. R. Morgan	86637	12.80
J. M. Morgan	87729	327.00
T. L. Morgan	83816	43.00
T. L. Morgan	87332	102.00
W. E. Morgan	87705	30.00
W. G. Morris	87147	200.00
Joe Morrow	87560	26.63
W. A. Morrow	87229	744.95
C. G. Murff	87882	6.90
C. G. Murff	87134	99.93
M. M. Murphy	87113	81.76
L. H. Murphy	84185	325.00
L. H. Murphy	84186	350.00
L. H. Murphy	84187	350.00
L. H. Murphy	84186	350.00
Oscar Murphy	85743	324.00
Oscar Murphy	86287	129.87
T. J. Murphy	87315	94.75
J. P. Myers and O. C. Elliott	87463	98.84
"N"		
S. L. Nabors, B. C. Rankin, Sr., N. C. Patterson	87564	21.51
T. S. Neely	87107	1,900.00
Nettleton Fox Hunting and Fishing Assn	84066	2,900.00
Miss Verda May Newman	85357	26.07
J. R. Nichols	85891	98.82
J. M. Northington	86042	28.62
"O"		
George H. Oliver	78355	10,242.75
"P"		
J. O. Palmer	87732	49.19
Bill Pannell	87889	5.00
W. H. Park	85696	619.66
Allen Parker	87680	125.00
J. A. Parker	86697	274.37

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
J. A. Parker	87568	40.47
L. B. Parker	87972	216.54
L. B. Parker	87971	12.50
G. H. Partlow	87796	362.71
G. H. Partlow	87797	362.71
G. H. Partlow	87798	362.72
Glen Partlow	87052	100.00
A. J. Patterson	87124	7.10
A. J. Patterson	87125	81.11
A. J. Patterson	87126	243.61
Henry B. and Nancy L. Patterson	87567	14.15
J. A. Patterson	87305	28.38
J. L. Patterson	87327	40.00
[fol. 297]		
J. J. Paulk	87188	104.50
Ewell Payne	87470	215.74
H. H. Payne	87984	107.20
A. G. Pearce	87819	92.43
B. M. Pearce	86770	85.54
H. K. Pettigrew	87051	30.00
H. K. Pettigrew	87050	30.00
W. A. Pettigrew	87858	61.90
M. T. Pettit	87135	120.00
Lee Phillips	80350	365.00
P. W. Pitts	87304	24.65
J. W. Plunkett	87225	47.76
S. W. Priddy	87776	203.50
Mrs. W. G. Prude	87777	15.00
Albert Pruitt	87954	25.00
J. F. Pryor	80482	1,728.84
H. Putt	87288	173.36
G. G. C. Pyle	86012	169.46
"R"		
E. R. Rankin	87162	50.00
John Raper	85890	112.70
D. E. Raspberry	87867	60.59
B. A. Ray	87872	101.91
J. M. Rea	87572	43.17
R. F. Reed	86838	1,279.50
R. F. Reed	86839	1,279.50
Wades S. Reeder	86246	427.88
Wade S. Reeder	86247	2,144.63
F. W. Reedy	81165	4.85
Mrs. Mayfield Reese	84199	420.34
J. W. Repult	86888	72.46
E. J. Rich	85588	111.75
J. D. Ridings and J. L. Atkins	76573	38.23
Ollie Ridings	87757	184.39
Charlie Rife	80259	308.91
H. D. Riley	84642	36.75
H. D. Riley	85307	48.20
H. D. Riley	85587	50.00
J. L. Riley	87462	110.33
S. C. & J. H. Riley	87574	260.57
A. C. Robbins	87921	326.16
G. W. Robbins	87922	23.81
Mrs. W. H. Roberts	86708	133.84
Wood J. Roberts and Sweet Roberts	87576	358.84
D. W. Robins	87297	11,350.00
D. W. Robins	87298	11,350.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Mrs. H. L. Robins	87736	843.63
Nell Robins	80340	270.28
W. N. Robins	80567	188,63
W. N. Robins	83372	139.57
W. N. Robins	84317	355.75
G. S. Roebke	87737	204.52
B. A. Rogers, et al	84126	866.45
J. J. Rogers	87471	61.43
J. J. Rogers	87166	120.00
J. J. Rogers	87167	480.00
Van K. Rogers	86808	805.50
Van K. Rogers	87857	212.55
[fol. 298]		
Mrs. W. R. Rogers	87164	78.00
F. W. Roper	81967	187.50
W. G. Roper	87751	164.96
Lon Ross	87839	332.57
Fronie Rowan	85688	90.00
M. T. Rowland	84958	103.10
Dave Ruff	87658	207.33
Dave Ruff	87660	379.77
Graves Ruff	87920	99.67
J. G. Ruff	87472	97.40
"S"		
William Sampson, Maggie Sampson	87578	92.16
J. G. H. Sanders	86721	19.00
Herman Schlicht	87874	61.98
W. J. Schumpert	87943	1,556.83
G. C. Scribner	87581	62.54
R. E. Searey	87741	17.20
L. M. Sewell	86321	103.52
G. T. Sheffield	87823	125.00
G. T. Sheffield	87824	125.00
P. L. Sheffield	87816	5.00
P. L. Sheffield	87929	11.43
P. L. Sheffield	87930	249.87
P. L. Sheffield	87931	20.00
P. L. Sheffield	87932	13.00
J. W. Shirley	87892	199.50
J. W. Shirley	87893	415.68
J. W. Shirley	87894	285.62
H. R. Simpson	87873	50.00
C. B. Sisk	87583	70.81
L. E. Skinner	86774	30.87
C. E. Smith	87834	83.82
D. D. Smith (assumed by A. T. Siddall)	87886	55.00
Felix Smith	87970	44.08
L. L. Smith	86444	100.00
P. E. Smith	80952	860.09
R. G. Smith	86853	207.27
W. G. Smith	87742	556.74
L. S. Snipes	87468	85.56
Purd W. Sparks	85900	104.99
Purd W. Sparks	85845	247.46
Purd W. Sparks	85846	317.21
E. L. Speed	85847	109.21
J. V. Spralding	87152	394.91
Mrs. Louis Burton Stacy	87713	254.28
Leonard Standifer	87985	20.00
John M. Stanton	87590	93.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Star Grocery Co	86589	100.00
Star Grocery Co	86590	100.00
Star Grocery Co	86591	100.00
Star Grocery Co	86592	803.75
Aurora Stevenson	80927	124.70
H. E. Stone	85659	125.00
S. P. Stone No. 8	83292	2,264.95
C. C. Strain	87711	202.87
C. C. Strain	84042	106.56
J. H. Strain	87827	15.12
R. C. Strain	86729	140.00
[fol. 299]		
G. C. Sturdivant	86214	555.30
G. C. Sturdivant	86215	432.28
G. C. Sturdivant	86216	395.55
G. C. Sturdivant	86217	616.87
N. N. Sullivan	87591	41.91
B. L. Summers	81302	158.98
Verma Lee Summers	86373	34.51
"T"		
W. S. Tally	71118	128.85
W. S. Tally	71119	150.00
W. S. Tally	87053	275.00
H. J. Tatum	85848	99.54
E. W. Taylor	79029	300.00
E. W. Taylor	79030	300.00
E. W. Taylor	79031	1,400.00
E. W. Taylor	86256	234.61
E. W. Taylor	86257	107.21
E. W. Taylor	86258	250.00
E. W. Taylor	87236	34.84
E. D. Temple, Mrs. Pearl Temple	87593	148.35
Dewey Thomas	87641	214.90
J. M. Thomas	85211	3,114.25
P. K. Thomas	84206	1,004.00
P. K. Thomas	84715	2,559.63
P. K. Thomas	84716	2,559.63
P. K. Thomas	84916	639.40
P. K. Thomas	85657	527.89
P. K. Thomas	86027	2,497.98
P. K. Thomas	86028	1,697.73
P. K. Thomas and Albert Ritter	80497	1,500.39
Virginia Thomas	82985	550.00
Grider Thompson	87914	1,597.52
Ike Thompson	87515	329.45
Lee Thompson	86636	2,199.56
L. K. Tilghman	86984	15.00
E. R. Todd	87594	95.00
Solomon Tompkins	87896	200.00
Shelby Topp, Jr	78950	400.00
Shelby Topp, Jr	78951	300.00
Shelby Topp, Jr	85391	300.00
W. D. Topp	86166	500.00
W. D. Topp	86167	1,000.00
W. D. Topp	86168	1,000.00
W. D. Topp	86169	1,100.00
J. D. Trantham	87743	332.30
C. T. Trapp	84614	636.48
W. L. Trapp	87595	30.10
W. W. Trice	86231	856.80

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
F. L. Tucker	87299	13.13
Mrs. Sam Tune	87696	97.07
Tupelo Brick & Tile Co.	85447	668.12
Tupelo Insurance Agency	84886	467.44
D. E. Turner, Jr.	87694	214.46
"W"		
C. L. Wade	65092	150.00
Ollie Wade	87952	2.50
J. M. Walker	87596	58.20
W. S. Walker	87766	13.40
W. S. Walker	87908	10.00
W. S. Walker	87965	6.65
[fol. 300]		
G. W. Walls	87171	76.62
T. C. Watson	87040	261.72
H. H. Welch	87597	58.88
P. G. Wesson	81958	2,000.00
F. B. West	86248	100.00
A. F. Westmoreland	87054	61.08
J. C. Westmoreland	85822	591.06
T. H. Westmoreland	85382	200.00
T. H. Westmoreland	86154	59.88
Mrs. J. G. Whitehead	87665	153.40
J. G. Whitehead	80367	115.02
A. L. Whitesides	85373	182.50
E. W. Whitesides	81366	149.05
J. L. Whitesides	87699	150.60
Otis Whitlock	87060	157.90
R. P. Whitlock	87897	150.00
G. B. Wilburn	87655	254.01
T. C. Wilburn	87095	40.00
Ned Wiley	53453	500.00
Chas. Williams	86454	3.00
H. V. Williams	87201	10.00
H. V. Williams	87284	10.00
H. V. Williams	87374	10.00
H. V. Williams	87429	10.00
H. V. Williams	87617	10.00
H. V. Williams	87924	20.00
J. T. Williams	87947	27.78
J. T. Williams	87946	10.00
L. A. Williams	86417	185.82
Z. B. Williams	87255	82.93
Z. B. Williams	87256	30.90
V. M. Willie	86975	3.84
Raymond Willis	87926	10.00
R. B. Willis	85956	194.80
R. B. Willis	87189	38.63
R. B. Willis	87235	26.00
R. B. Willis	87442	15.00
R. B. Willis	87239	54.60
R. B. Willis	87967	2.04
C. G. Wilson	97927	67.00
John A. Wilson	87602	93.67
L. E. Wilson	84243	2,141.45
S. D. Wilson	87657	743.16
W. R. Wilson	87602	1.73
L. A. Witt—G. W. Jobe	87602	7.00
A. M. Wiygul	87606	17.00
E. A. Wiygul	87607	82.15

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
J. G. Woods	87667	231.83
Jesse Woodruff	87895	2.00
R. E. L. Woodward—Ophelia Woodward	87608	544.01
R. E. L. Woodward	87483	1.00
Anthony Word	87911	27.75
W. J. Wren	87129	415.27
Wright Motor Company	84726	2,442.46
Mrs. Carrie May Wright	78692	33,81.48
Mrs. Carrie May Wright	87949	83.96
"Y"		
G. R. Yancy	87746	450.00
[fol. 301]		
W. I. Yielding	87815	900.00
R. P. Young, D. P. Young and E. L. Young	87614	66.21
Rose Young and C. A. Tapscott	87615	3.06
Total Loads and Discounts carried in Re-opened Bank		$472,722.01
After giving off-set to Capital Structure in full		19,186.44
Amount Set Up in Re-opened Bank		$491,908.45
		$216,892.08
Equity in Loans and Discounts carried in Re-opened Bank		$275,016.37
[fol. 302]		
"A"		
F. L. Abernathy	87673	87.98
J. C. Adams	87493	28.19
Mrs. J. C. Adams	87494	969.71
J. E. Adams	87495	29.52
H. Agnew	87440	19.49
H. Agnew	87441	577.56
M. R. Akers	54629	566.67
M. R. Akers	56450	566.67
M. R. Akers	54631	566.67
E. F. Anderson	73518	418.04
W. T. Anderson	85344	120.87
John W. Anglin	83545	15.79
Claud Armstrong	85617	108.00
J. A. Armstrong	86595	208.68
L. Armstrong	86937	52.91
B. S. Arnold	87720	45.98
T. D. Austin	86187	125.50
"B"		
I. G. Bailey	82262	104.76
Word H. Baker	83063	702.03
Word H. Baker	83943	829.55
Word H. Baker	83944	1,000.00
Word H. Baker	83951	814.69
Word H. Baker	83962	3,800.00
J. H. Baldwyn	86251	62.35
P. W. Barinowski	84402	81.32
Tandy Bean	86936	112.86
R. W. Beck	86069	50.84
R. C. Beckham	87877	477.54
Mrs. R. C. Beckham	87878	35.06
Mrs. R. C. Beckham	87879	719.85

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Mrs. R. C. Beckham	86988	112.11
Homer F. Benson	87234	77.00
J. I. Berryhill	85679	261.87
J. I. Berryhill	85962	1,366.32
J. I. Berryhill	87014	6.40
J. R. Bettersworth	86314	29.78
F. W. Boggan	87880	14.90
F. W. Boggan	87685	75.61
W. C. Boland, Jr.	86747	1,000.00
W. C. Boland, Jr.	86748	1,300.00
C. W. Bonner	87881	6.40
C. W. Bonner	86585	85.60
Finis Brooks	81120	154.82
Finis Brooks	82260	52.43
Raymond Brooks	85754	20.00
D. N. Brown	86058	462.36
D. W. Brown	77926	1,647.02
J. M. Brown	86598	781.63
J. M. Brown	87825	49.95
F. B. Bryan, Inc.	79437	2,040.00
Frank Bryan, Inc.	85207	40.97
Frank Bryan, Inc.	85205	445.00
Frank Bryan, Inc.	85204	118.64
Frank Bryan, Inc.	85203	1,760.98
Frank Bryan, Inc.	85206	200.00
Frank Bryan, Inc.	79688	896.54
[fol. 303]		
R. E. Bryson	83878	350.00
Buchanan Motor Co	79957	1,119.67
Buchanan Motor Co	80360	1,500.00
Buchanan Motor Co	80597	2,040.00
Buchanan Motor Co	83198	250.00
N. B. Buchanan	78928	536.29
N. B. Buchanan	79802	525.00
N. B. Buchanan	80471	1,530.00
N. B. Buchanan	80472	1,530.00
N. B. Buchanan	80473	2,550.00
N. B. Buchanan	80474	2,091.00
N. B. Buchanan	80475	2,040.00
N. B. Buchanan	80476	4,447.98
N. B. Buchanan	82808	96.96
Mrs. N. B. Buchanan	80564	163.19
Edd Burgess	87503	200.00
E. P. Burgess	78929	200.00
E. P. Burgess	78930	200.00
E. P. Burgess	78931	100.00
Frank Burgess	87504	50.49
James L. Burgess	87507	148.46
T. P. Burleson	86105	27.00
Grady Burt	87508	183.88
E. H. Burton	85927	12.52
E. H. Burton	85928	50.00
E. H. Burton	85929	50.00
E. H. Burton	85930	50.00
E. H. Burton	85932	50.00
E. H. Burton	85933	50.00
Carl Butler	87899	123.87
Looney Butler	87721	129.50
"C"		
C. E. Caldwell	87290	27.68
Calhoun City Motor Co	85259	727.96

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Calhoun City Motor Co	85260	1,000.00
Calhoun City Motor Co	85261	4,500.00
J. L. Carpenter	87510	265.86
Ernest Carter	86746	300.00
W. C. Carter	82028	239.20
W. C. Carter	82029	2,000.00
W. C. Carter	82850	87.77
Chas. P. Chappell	86891	254.97
James Chappell	81433	105.68
James Chappell	87038	7.40
Chisholm Elec. & Plumb. Co	84433	268.58
Do	84435	301.18
Do	85581	74.15
Do	86115	93.50
A. W. Christian	86360	2.82
Gilbert W. Clark	79403	1,261.05
Noel Coggin	87513	21.99
R. T. Coggin	87514	52.15
Communities Development Co	86298	812.80
Do	86299	1,813.88
Do	86300	778.21
Do	87842	71.18
J. M. Conn	86661	85.58
Bill Cooley	78935	178.74
[fol. 304]		
Bill Cooley	78936	200.00
Do	78937	100.00
Do	87940	8.80
L. E. Cooper	87518	100.00
Do	87936	8.80
W. B. Cowan	85606	79.19
W. N. Cowden	85386	163.61
J. S. Crenshaw	87141	127.35
L. F. Cummings	87933	15.08
Geo. Cunningham	81451	44.99
Mrs. Geo. H. Cunningham	85415	680.69
Hal Cunningham	85957	54.67
Mrs. T. H. Curtis	85393	29.40
"D"		
C. H. Dabbs	87693	2,893.20
Do	87692	5,399.88
Mrs. H. R. Dabbs	86959	202.53
Dairy Farms Co	85287	2,523.92
Do	85295	106.34
R. D. Dalton	87723	57.50
C. R. Davis	80817	2,550.00
Do	84428	213.78
V. O. Davis	84794	148.00
B. E. Deaton	87724	5.73
J. W. Deavll	87524	120.16
Douglas & Rogers	84153	335.41
R. C. Douglas	86018	2,362.69
Do	86019	2,362.69
A. G. Duncan	87526	111.54
Mrs. D. C. Duncan	87525	32.34
"E"		
W. C. Edwards	87528	12.14
W. L. Elledge	83962	126.23
S. E. Enlow	87529	10.25
W. T. Estes	84708	25.93

List of Loans and Discounts Carried in Re-Opened Bank—Continued

"F"

Name	Number	Amount
J. E. Farrar	81535	158.08
Milton Fields	87434	165.80
Jean Ford	83410	3,832.90
J. W. Francis	78944	798.58
Do	78945	800.00
J. W. Francis	78946	900.00
Leonard Franklin	87531	36.07
L. F. Franklin	86670	237.53
Nolen Franks	87761	58.02
J. M. Fullerton	86743	191.90
Do	86744	418.75
Do	86745	418.75

"G"

J. A. Gann	87292	101.15
Daisy Garrett	86441	160.00
J. W. Gaulding	85315	175.00
D. G. Goggans	85948	63.90
J. A. Grant	80991	132.52
Do	87938	10.80
W. R. Gray	87535	81.36
Charlie Gregory	87133	134.71
J. R. G. Gregory	85537	144.40
E. B. Griffin	87536	13.06
Guarantee Mortgage	86565	266.82
Do	85279	1,600.00
Guaranty Mortgage & Sec. Co.	84766	482.81

[fol. 305]

Guaranty Mortgage & Sec. Co.	84766	25.47
Do	84767	440.73
Do	85265	9,525.50
Do	87264	264.00
Do	85268	549.00
Do	85961	102.56

"H"

L. T. Hadley	87134	99.03
J. W. Hallmark	86536	334.06
Do	87942	8.80
J. W. Hallmark Oil Co.	86541	29.07
Do	86542	50.00
Do	86543	230.84
Miss Mary Hansell	87537	281.20
Cortez Harris	82488	10.73
W. B. Harris	87953	4.90
W. S. Harris	87708	41.49
Harrisburg Dairy Co.	86394	125.00
Do	82322	207.50
Do	83234	1,808.11
Do	86413	32.03
Do	86393	66.22
Do	86448	33.11
Do	86491	33.11
Do	96573	33.10
Do	86723	33.10
Do	86804	33.10
Do	86883	33.10
Do	86932	23.10
Do	87061	23.78
R. T. Hathcote	87538	2.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Jeff Henley	85831	488.73
S. J. High	86392	2,420.29
Do	85215	2,000.00
Do	85283	4,000.00
Do	85284	4,100.00
Do	85993	2,000.00
Do	86063	1,442.15
S. J. High & Co.	85055	3,633.03
Do	85056	9,551.02
Do	85057	9,551.02
Do	85058	9,551.02
Do	85059	86.19
Do	85060	2,387.75
Do	85061	3,581.63
Do	85062	3,581.63
Do	85063	3,581.63
Do	85064	4,297.96
Do	85065	4,775.51
Do	85054	4,775.51
Do	85223	55,771.00
Do	85463	1,810.79
Do	85317	3,250.85
Do	85319	1,721.02
Do	85320	1,147.35
J. M. Thomas	85401	2,868.67
Do	85402	2,868.67
Do	85403	1,000.00
[fol. 306]		
S. J. High & Company	85738	4,776.82
Do	85739	3,152.86
J. W. Hill & Co.	82526	1,489.39
W. S. Hill	87541	82.45
Calhoun Holcomb	85116	81.04
H. R. Holcomb	85685	226.00
H. R. Holcomb	87939	6.80
Holland Motor Company	86965	203.62
Do	87662	1.50
Do	86967	213.24
Lee Holloway	86726	58.69
J. T. Holley	87542	43.08
P. S. Holt	87697	146.50
Mrs. Sid Holt	86036	208.00
Home Realty Co., Inc.	85192	1,120.15
Do	85183	1,000.00
Do	86741	75.69
Do	86997	30.63
Do	87876	10.53
Raymond-Hood	87377	82.31
Do	87544	50.48
W. S. Hopkins	87466	80.65
D. B. Horton	86277	89.99
Mrs. C. K. Hudson	85451	16.27
Ed. Humphries	87545	23.76
Paul Hutchinson	83854	30.84
Do	83855	35.00
Do	83856	35.00
Do	83857	35.00
Do	83858	35.00
Do	83839	35.00
Do	83860	35.00
Do	83861	35.00
Do	83862	117.98

List of Loans and Discounts Carried in Re-Opened Bank—Continued

"I"

Name	Number	Amount
A. A. Inmon	81637	20.00
M. H. Irvin	86946	40.39
Ivey Poultry Farm	86992	70.00
"J"		
T. A. Jenkins	84409	16.83
Do	85608	2,682.69
Do	85609	4,943.34
Do	85610	4,801.76
Do	87675	77.00
Do	85674	5,572.70
Do	85675	4,370.67
Do	85676	248.77
Do	85574	953.24
Do	85810	50.00
Do	85811	50.00
Do	85812	50.00
Do	85812	50.00
Do	85814	50.00
Do	85815	510.15
Do	86056	101.00
Charlie Jobe	87149	164.69
W. M. Johnson	86756	92.80
Do	86757	86.40
Elmer Jolly	86626	104.82
[fol. 307]		
C. A. Jones	85708	65.00
Journal Review Pub. Co	87777	26.88
Do	87132	210.70
Gladys Keith	87548	23.94
J. B. Kennedy	82480	116.55
F. L. Kincannon	80043	58.95
Do	80045	300.00
Do	80044	300.00
Do	80046	300.00
Do	80047	300.00
Do	80048	300.00
Do	80049	14,206.97
Mrs. M. W. Kincannon	80050	2,249.64
Do	80051	1,809.07
Do	87772	76.72
Mrs. Sybil Kincannon	79344	13.75
Vann Kincannon, Jr.	86931	26.93
Mrs. Jimmie King	86535	42.94
W. W. Kingsley	87097	7.59
Winston Kirk	85672	13.87
Emmitt Knight	87549	131.67
W. C. Kyle	86767	2.77
Do	87712	28.42
W. M. Kyle	87691	30.47
"L"		
F. E. Lewellen	86846	15.00
J. M. Livingston	84388	5.37
Do	84389	3,300.00
Do	84390	2,839.52
Do	84391	3,400.00
L. C. Livingston	86680	105.77
C. B. Loden	87550	23.04
Sarah Long	84918	91.32
Sam H. & W. P. Long	87105	90.50

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
Sam P. Long	87715	44.80
C. A. Lowell	84149	47.85
W. A. Lower	87096	20.00
W. H. Lowery	85478	50.00
J. H. Luckett	87431	70.31
G. C. Lumpkin	83820	1,285.47
B. D. Lyle	86852	320.28
L. D. Lyle	81088	65.54
"Mc"		
S. A. McCarley	81372	8,547.82
Do	81915	400.00
W. A. McCarty	82293	52.50
Do	84319	31.00
Cecil McClear	82793	10.73
C. B. McCown	86684	68.64
Do	86685	816.51
Do	86686	84.51
E. C. McDaniel	87773	3.00
Do	87919	1.00
S. L. McDaniel	86687	200.00
Mrs. C. B. McGee	85193	40.60
G. W. McGuire	85907	500.00
Bevily McIntosh	86688	96.70
L. A. McMillan	86371	825.62
Mrs. Gertrude McMullen	86445	23.88
[fol. 308]		
C. C. McNeill	86512	3,089.33
Do	86513	1,747.93
W. B. McNutt	82047	2,900.00
"M"		
A. F. Maynard	79514	174.06
Do	87461	80.32
J. E. Maynard	80055	53.56
Olive Pattey Maynard	84610	161.54
C. D. Michael	87763	20.00
L. G. Milam	86095	1,273.93
Do	86096	2,862.75
P. S. Miller	87728	45.00
W. M. Minga	87554	20.00
J. L. Minor	86759	335.87
Normon Monaghan	84924	5,736.73
Shelby Monaghan	87557	75.34
W. A. Monaghan	86691	581.33
J. R. Monaghan	87045	.61
A. L. Moore	87273	65.25
G. E. Moore	87682	12.50
L. B. Moore	87640	5.00
R. Burr Moore	79907	285.74
J. B. Morgan	85901	93.21
George Morris	87367	5.00
Do	87436	4.38
Do	87656	5.00
Do	87678	8.00
Eber Morrow	87559	25.54
H. E. Morse	81115	150.00
T. S. Moss	87730	300.20
M. M. Mullins	87561	40.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

"N"

Name	Number	Amount
Mrs. N. E. Nash	87731	22.80
M. E. Nichols	87565	70.15

"O"

Richard Outlaw	85885	150.00

"P"

C. J. Paessler	84841	102.00
Do	85178	350.00
Do	85176	102.00
Do	85690	175.00
J. W. Page	81708	174.06
Marion Parker	83412	565.49
Do	83411	2,000.00
W. M. Parker	85819	3.87
G. W. Partlow	85828	337.54
Roy Partlow	85562	78.68
J. W. C. Parvin	87733	14.07
Dewey Patterson	86070	6.30
W. H. Patton	84664	983.86
Do	86489	1,046.69
M. C. Payne	81141	72.00
W. C. Payne	84341	118.55
Do	87948	12.48
Dr. R. H. Pegram	84323	85.52
Do	87950	4.90
C. J. Pennal	87569	34.17
Phil Perabo	85443	2,250.00
Do	85444	2,250.00
Do	85975	357.97
Robt. O. Perkins	85139	2,880.00
Do	85467	200.00
Do	85468	250.00

[fol. 309]

Robt. O. Perkins	85469	90.91
Do	86016	86.69
W. H. Powell (R)	87734	499.92
W. H. Powell (T)	84098	149.72
Do	85297	988.22
W. T. Prince	87735	5.00

"Q"

Thos. E. Quin	71377	2,000.00
Do	69408	1,930.00

"R"

Mrs. W. C. Raymond	85041	31.20
Do	85408	160.00
Do	86790	55.39
J. D. Rea	87571	39.52
Riley's Jewelry Store	83975	636.00
Ed. Riley	85924	2,483.54
H. D. Riley	81539	40.00
Do	81560	40.00
Do	81561	40.00
Do	81562	40.00
Do	81563	40.00
Do	81564	40.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
H. D. Riley	81565	40.00
Do	81566	40.00
Do	81567	40.00
Do	81568	40.00
Do	81569	40.00
Do	81570	40.00
Do	81571	40.00
Do	81572	40.00
Do	81573	40.00
Do	81574	40.00
Do	81575	40.00
Do	81576	40.00
Do	81577	40.00
Do	81578	40.00
Do	81579	40.00
Do	81580	40.00
Do	81581	40.00
Do	81582	40.00
Do	81583	40.00
Do	81584	40.00
Do	81585	40.00
Do	81586	40.00
Do	81587	40.00
Do	81588	40.00
Do	81589	40.00
S. C. Riley	87575	200.00
C. C. Rhinehart	87740	126.64
Cliff Robbins	86198	33.63
D. W. Robins	84167	953.39
Do	84301	2,385.75
Do	84302	2,385.75
Do	83303	2,385.75
Do	84304	2,385.75
Do	84305	2,385.75
Do	84306	2,385.75
Do	84701	1,191.19
D. W. Robins, et al	87224	2,691.06
D. W. Robins	87829	2,385.52
[fol. 310]		
T. W. Robinson	84574	64.40
H. E. Roebke	87738	1,440.41
C. M. Roebuck	87577	52.93
Miss Ida Rowan	78865	1,215.20
Do	86190	399.56
J. B. Rowan	85102	59.92
Dave Ruff	84059	49.85
Jack Ruff	81387	161.41
Do	87937	10.80
J. G. Ruff	87643	182.82
Do	87642	108.84
"S"		
Mrs. E. C. St. Clair	86091	129.99
Do	85767	104.00
Elihu Salters	86003	20.00
Jas. M. Savery	80433	315.80
Do	85328	19.38
Do	85329	50.00
Do	85330	50.00
Do	85331	50.00
Do	85332	50.00
Do	85333	1,050.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
T. W. Schoen	80638	700.00
Do	83691	198.92
W. D. Shumpert	87580	10.19
J. T. Senter	80725	232.39
Mrs. H. W. Shackelford	87582	10.00
Annie Shearer	61961	46.36
Do	61962	50.00
Do	61963	50.00
Do	61964	50.00
Do	61965	50.00
Do	61966	50.00
Do	61967	50.00
Do	61968	50.00
Do	61969	50.00
Do	61970	50.00
Do	61971	50.00
Do	61972	50.00
Do	61973	50.00
Do	61974	50.00
Do	61975	50.00
Do	61976	50.00
Do	61977	50.00
Do	61978	50.00
Do	61979	50.00
Do	61980	50.00
Do	61981	50.00
Do	61982	50.00
Do	61983	50.00
Do	61984	50.00
Do	61985	50.00
Do	61986	50.00
Do	61987	50.00
Do	61988	50.00
Do	61989	50.00
Do	61990	50.00
Do	61991	50.00
Do	61992	50.00
Do	61993	50.00
[fol. 311]		
Annie Shearer	61994	50.00
Do	61995	50.00
Do	61996	50.00
Do	61997	50.00
Do	61998	50.00
Do	61999	50.00
Do	62000	50.00
Do	62001	50.00
Do	62002	50.00
Do	62003	50.00
Do	62004	50.00
Do	62005	50.00
Do	62006	50.00
Do	62007	50.00
Do	62008	50.00
Do	62009	50.00
Do	62010	50.00
Do	62011	50.00
Do	62012	50.00
Do	62013	50.00
C. D. Sheffield	86367	243.27
A. L. Shumpert	78941	175.00

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
A. L. Shumpert	78942	200.00
Do	78943	200.00
A. T. Siddall	87331	92.47
A. D. Simpson	86559	4,307.56
V. E. Simpson	86758	350.00
A. M. Sims	81080	399.51
Edd Sisk	87584	88.73
Do	87831	3.50
W. R. Sisk	87585	61.73
L. A. Sloan	79713	440.00
Do	80551	515.75
P. E. Smith	54236	416.45
Do	54237	500.00
Do	54238	500.00
Do	54239	500.00
Do	54240	500.00
Do	54241	500.00
Do	54242	500.00
Do	54243	500.00
Do	54244	483.70
Turner Smith	87586	51.54
D. N. Spradling	81196	248.02
Lish Springer	87588	18.88
W. I. Springer	80595	540.00
G. P. Stamper	87589	62.21
Ed Stith	80523	587.90
S. P. Stone	83289	75.00
Do	83290	75.00
Do	83291	75.00
Do	83294	1,571.12
Do	85465	1,600.00
W. G. Suggs	86751	76.29
Do	86752	81.89
Do	86753	87.49
Do	86754	93.09
B. L. Summers	87211	16.30
Do	87269	20.00
[fol. 312]		
B. L. Summers	87370	20.00
Do	87427	20.00
Do	87654	20.00
Charlie Summers	85681	73.52
Swamp Dredge Corp	86071	2,279.77
Do	86072	2,279.77
Do	86073	2,279.77
Do	86074	4,559.52
Do	86075	4,559.09
Do	86076	5,849.82
"T"		
E. H. Tackett	86408	61.07
Do	87830	3.00
W. M. Taylor	87592	15.65
Dweey Thomas	87371	8.90
Do	87428	10.00
Do	87649	10.00
Jimmie Thomas	87476	149.28
Do	87213	.70
Do	87281	5.00
Do	87372	5.00
Do	87416	5.00
Do	87621	5.00
Do	87747	1.65

List of Loans and Discounts Carried in Re-Opened Bank—Continued

Name	Number	Amount
J. M. Thomas	85212	4,792.24
P. K. Thomas	84207	1,747.38
Do	84717	375.39
Lee Thompson	82087	765.41
L. O. Thompson	86561	54.00
O. T. Trapp	80138	952.21
Do	80139	3,188.73
Do	80140	3,744.89
Do	86928	7.50
Do	84583	387.82
N. F. Troy	82652	53.70
Do	82653	54.00
Do	82654	3,850.87
E. L. Turner	86851	290.57
"W"		
J. R. Walker	85909	20.00
J. A. Watson	81047	258.36
T. C. Watson	87039	96.82
Wayne Cotton Mill Yarn A/C	84045	915.55
R. A. Weaver	83019	698.64
Do	83020	1,525.15
Robt. A. Weaver	85200	500.00
Do	86378	384.71
A. R. Webb	86625	81.07
Georgia West	87598	26.58
W. C. West	87600	143.55
A. R. Whitlock	87601	43.19
T. Wilburn	80612	825.54
T. E. Wilburn	80611	10.95
Do	82364	329.86
J. C. Williams Lumber Co	85048	375.00
Odie Williams	87392	5.95
Robert E. Williams	85710	25.96
J. P. Willis	87293	478.64
M. Winchester	86718	108.55
J. R. Witt	87605	31.33
[fol. 313]		
J. K. Worthy	87610	66.60
Do	87611	9.91
R. G. Wright	85602	605.18
"Y"		
D. P. Young	87612	6.755
E. A. Young	87613	31.62
J. T. Young	82456	39.29
Do	83498	25.41
W. O. Young	79829	190.75
Total Notes Pooled		$484,194.71
Equity in Notes Held in Re-opened Bank		$275,016.37
		$759,111.08

[fol. 314]

Live Stock Account Carried in Pooled Assets

Description	Amount
Two Mares, twenty-one Mules, two Cows, one Bull Calf, registered all carried in live stock account at	$1,080.90

Automobile Account Carried in Pooled Assets

Description	Amount
Ford Two-Door Sedan, 1929 Model, Motor No. A-1,155,351. Chevrolet Four-Door Sedan, 1926 Model, Motor No. 2,828,531. Chevrolet Two-Door Coach, 1928 Model, Motor No. 4,800,789. Ford Touring Car, 1929 Model, Motor No. A-1,307,127. The above cars are carried in automobile account at	$987.50

List of Property Carried in Tax Title Account Included in Pooled Assets

Name of property	Description	Bought in for 1930 tax	Bought in for 1931 tax
E. J. Ford Land	72½ acres Mid. Pt., S½ SE¼ 23-7-5	$63.49	
E. C. Hinds Lot	E½ Lot 5, Blk. 45, NE¼, 31-9-6	167.25	$127.90
Kizer Bldg.	Store, Lots 13 & 14, Blk. 4, SE¼, 31-9-6	332.25	
Professional Bldg. Lot	W½ Blk. 35, NE¼, 31-9-6	101.35	
D. N. Brown	60 acres S side NW¼, 22-11-7		14.49
D. N. Brown	60 acres N side SW¼, 22-11-7		17.37
C. R. Davis	4 acres SE corner NE¼, 1-8-5		41.97
C. R. Davis	20 acres E end NE¼ SE¼, 1-8-5		31.76
C. R. Davis	47 acres S side NW¼, 6-8-6		45.38
C. R. Davis	W end N½ SW¼, 6-8-6		45.38
C. R. Davis	W end N½ SW¼, 6-8-6		49.38
Ned Wiley	Res. Lot, Pt. NW¼, 21-8-6		44.03
E. R. Chisholm	30 acres E. end S½ NW¼, 9-10-6		41.25
Lee O. Thompson	Res., Lot 11 & 12, Blk. 6, NW¼, 31-9-6		41.25
	Stable Lot, 32½ feet W½ Lot 15, Blk. 46, NW¼, 31-9-6		
		$666.34	$454.78
Property bought in at 1931 tax sale		454.78	
		$1,121.12	

[fol. 315]

Cash Items carried in Pooled Assets

Date of check	Bank drawn on	Endorsed by	Amount
12-24-30...	Bank of Kilmichael.....	Mabel Trainer.....	20.00
12-24-30...	Bank of Pontotoc.....	E. G. Brandon.....	6.00
12-24-30...	Bank of Saltillo.....	Ermon Smith.....	2.00
12-21-30...	Bank of Saltillo.....	Thomas Lyles.....	4.30
12-22-30...	Bank of Saltillo.....	J. F. Elliott.....	3.78 Bal.
	Bank of Derma.....	Drawn by Bank of Derma	61.54
	Booneville Banking Company.....	J. E. Cummings.....	3.50
	Booneville Banking Company.....	Drawn by Gip Winfield.	38.69
	1st National Bank, Mobile.....	Corinth Bk. & Tr. Co...	65.74 Bal.
	Mer. Bk. & Tr. Co., Jackson.....	Drawn by Corinth Bk. & Tr. Co.....	116.25 Bal.
	Corinth State Bank.....	J. W. Lowery.....	3.78 Bal.
	Corinth State Bank.....	J. W. Lowery.....	45.37 Bal.
	Corinth Bk. & Tr. Co...	G. W. Lang.....	3.99 Bal.
1-23-33...	Fulton Bank.....	Drawn by E. O. Reeves.	10.00
			$384.94

[fol. 316]

Bond Account

Bond Account, see Schedule No. 2 in Pooled Assets for Detailed List.....	$79,599.15
After giving effect to Capital Structure.....	2,011.00
Less Amount Transferred to Re-opened Bank.....	50,000.00
Equity in Bonds carried in Re-opened Bank	$31,610.15

Schedule #2

List of Bonds Held by Peoples Bank & Trust Company, Tupelo, Mississippi, in Which an Equity is Held for Pooled Assets.

Name	No.	Series	Rate	Maturity Date		Amount
Winston County, Miss., Road District #2 Bonds	29		5½%	11- 1-39		$1,000.00
Do	30		5½%	11- 1-39		1,000.00
Do	31		5½%	11- 1-39		500.00
Do	32		5½%	11- 1-40		1,000.00
Do	33		5½%	11- 1-40		1,000.00
Do	34		5½%	11- 1-40		500.00
Town of Wayneeboro, Miss., Waterworks & Sewerage Bonds	56		5½%	5- 1-47		1,000.00
Do	57		5½%	5- 1-47		1,000.00
Do	58		5½%	5- 1-47		1,000.00
Do	59		5½%	5- 1-48		1,000.00
Do	60		5½%	5- 1-48		1,000.00
Saltillo Separate School Dist. Lee County, Miss., Bonds	27		6%	6- 1-36		100.00
Lower Town Creek Drainage District #3, Agricultural & Sanitary Improvement, Lee County, Miss., Bonds	8	"P"	5½%	4- 2-33	Bal.	50.00
Lower Town Creek Drainage District #3, Agricultural & Sanitary Improvement, Lee County, Miss., Bonds	9	"P"	5½%	4- 2-33		100.00
Oldham Road District of Tishomingo County, Miss.	6		6%	2- 1-37		500.00
Meridian Creek Drainage District Calhoun County, Miss., Refunding Bonds	4		6%	6-15-35		500.00
Do	5		6%	6-15-36		500.00
Do	6		6%	6-15-37		500.00
Do	7		6%	6-15-38		500.00
Do	8		6%	6-15-39		500.00
Do	22		6%	6-15-40		500.00
Do	23		6%	6-15-50		500.00
Do	24		6%	6-15-50		500.00
Do	25		6%	6-15-51		500.00
Do	26		6%	6-15-51		500.00
Do	27		6%	6-15-52		500.00
Do	28		6%	6-15-52		500.00
Do	29		6%	6-15-53		500.00
Do	30		6%	6-15-53		500.00
Do	31		6%	6-15-54		500.00
Do	32		6%	6-15-54		500.00
Do	33		6%	6-15-54		500.00

Schedule #2—Continued

Name	No.	Series	Rate	Maturity Date		Amount
McNairy County, Tenn., Drainage District #4, Drainage Bonds	28		6%	7- 1-31		500.00
Do	29		6%	7- 1-32		500.00
Do	30		6%	7- 1-32		500.00
Do	31		6%	7- 1-32		500.00
Do	32		6%	7- 1-33		500.00
Do	33		6%	7- 1-33		500.00
[fol. 318]						
Sabougla Drainage District No. 2, Calhoun and Webster Counties, Miss., Bonds	24		6%	5- 1-32	Bal.	115.15
Do	25		6%	5- 1-32		1,000.00
Do	27		6%	5- 1-33		1,000.00
Do	28		6%	5- 1-33		1,000.00
Do	29		6%	5- 1-33		1,000.00
Do	30		6%	5- 1-33		1,000.00
Do	32		6%	5- 1-34		1,000.00
Do	33		6%	5- 1-34		1,000.00
Do	34		6%	5- 1-34		1,000.00
Do	35		6%	5- 1-35		1,000.00
Do	36		6%	5- 1-35		1,000.00
Do	37		6%	5- 1-35		1,000.00
Do	38		6%	5- 1-35		1,000.00
Do	39		6%	5- 1-36		1,000.00
Do	40		6%	5- 1-36		1,000.00
Do	41		6%	5- 1-36		1,000.00
Do	42		6%	5- 1-36		1,000.00
Do	43		6%	5- 1-37		1,000.00
Do	44		6%	5- 1-37		1,000.00
Do	45		6%	5- 1-37		1,000.00
Do	46		6%	4- 1-37		1,000.00
Do	47		6%	5- 1-38		1,000.00
Friendship and Pleasant Site Consolidated School Dist., Itawamba County, Miss., Bonds	11		6%	8- 1-37		700.60
Snake Creek Drainage Dist., No. 5, in McNairy County, Tenn., and No. 4, in Hardin County, Tenn.	2	"O"	6%	5- 1-31	Bal.	134.00
Do	1	"P"	6%	5- 1-32		500.00
Do	2	"P"	6%	5- 1-32		500.00
Do	3	"P"	6%	5- 1-32		100.00

	Do	4	"P"	6%	5- 1-32	100.00
	Do	1	"Q"	6%	5- 1-33	500.00
	Do	2	"Q"	6%	5- 1-33	500.00
	Do	3	"Q"	6%	5- 1-33	500.00
	Do	1	"R"	6%	5- 1-34	500.00
	Do	2	"R"	6%	5- 1-34	500.00
	Do	3	"R"	6%	5- 1-34	500.00
	Do	1	"S"	6%	5- 1-35	500.00
	Do	2	"S"	6%	5- 1-35	500.00
	Do	3	"S"	6%	5- 1-35	500.00
	Do	1	"T"	6%	5- 1-36	500.00
	Do	2	"T"	6%	5- 1-36	500.00
	Do	3	"T"	6%	5- 1-36	500.00
	Do	4	"T"	6%	5- 1-36	500.00
Loosacoona River Drainage District #2, Calhoun County, Miss., Refunding Bonds.	Do	5		6%	5- 1-33	500.00
[fol. 319]	Do	6		6%	5- 1-33	500.00
Loosacoona River Drainage District #2, Calhoun County, Miss., Refunding Bonds.	Do	7		6%	5- 1-34	500.00
	Do	8		6%	5- 1-34	500.00
	Do	9		6%	5- 1-34	500.00
	Do	10		6%	5- 1-34	500.00
	Do	11		6%	5- 1-34	500.00
	Do	12		6%	5- 1-35	500.00
	Do	13		6%	5- 1-35	500.00
	Do	14		6%	5- 1-35	500.00
	Do	15		6%	5- 1-36	500.00
	Do	42		6%	5- 1-40	500.00
	Do	43		6%	5- 1-40	500.00
	Do	44		6%	5- 1-40	500.00
	Do	47		6%	5- 1-41	500.00
	Do	48		6%	5- 1-41	500.00
	Do	54		6%	5- 1-42	500.00
	Do	55		6%	5- 1-42	500.00
	Do	56		6%	5- 1-42	500.00
	Do	57		6%	5- 1-42	500.00
	Do	58		6%	5- 1-42	500.00
	Do	59		6%	5- 1-42	500.00
	Do	60		6%	5- 1-42	500.00
	Do	61		6%	5- 1-43	500.00
	Do	62		6%	5- 1-43	500.00
	Do	63		6%	5- 1-43	500.00

Schedule #2—Continued

Name	No.	Series	Rate	Maturity Date	Amount
Chiwappa Town Creek Drainage District #4, Lee and Monroe Counties, Miss., Drainage Bonds	11	"R"	6%	5- 1-39	500.00
Do	12	"R"	6%	5- 1-39	500.00
Do	12	"S"	6%	5- 1-40	500.00
Do	13	"S"	6%	5- 1-40	500.00
Do	14	"T"	6%	5- 1-41	500.00
Do	15	"T"	6%	5- 1-41	500.00
Tupelo Hotel Company 6% First Mortgage Gold Bonds	72	"H"	6%	10- 1-33	100.00
Dunivan Creek Drainage District, Itawamba County, Miss., Drainage Bonds	34			5- 2-34	100.00
					$69,599.15
Bonds Up with S. P. Clayton, Referee in Bankruptcy					
Lower Town Creek Drainage District #3			5½%		1,500.00
Loosacoona River Drainage District #2			6%		8,500.00
Total Bonds					$79,599.15
Less Amount Transferred to Re-opened Bank					47,989.00
Equity in Bonds Held by Re-opened Bank					$31,610.15

[fol. 320]

List of Overdrafts Carried in Re-opened Bank

Name	Amount
Birmingham Consolidated School Interest Fund	241.64
Cedar Hill Consolidated School Interest Fund	49.04
Cedar Hill Consolidated School Sinking Fund	109.47
Fourth District Good Roads Interest Fund	1,287.50
Fifth District Good Roads Interest Fund	1,181.25
Lee County Highway Interest Fund	139.25
Oak Grove School Fund	25.01
Palmetto Consolidated School Interest Fund	34.17
Palmetto School Sinking Fund	15.26
Pontocola School Interest Fund	6.78
Pontocola School Sinking Fund	182.36
Second District Good Roads Interest Fund	601.50
Shiloh Consolidated School Interest Fund	228.71
	$4,101.94

[fol. 321]

Schedule #4

List of Stock Held by Re-opened Bank in Which There Is an Equity Due Pooled Assets

No. shares		Par value	Carried at
11	Citizens State Bank	$1,100.00	$1,100.00
1754	Independent Oil Co. Common, Par .50¢	877.00	801.60
500	Independent Oil Co., Preferred, Par $1.00	800.00	500.00
134	Journal-Review Pub. Co.	13,400.00	1,608.00
95	King Grocery Co	9,500.00	5,780.00
10	McLeran Ice Cream Co	1,000.00	1,000.00
137	Merchants Compress Co	13,700.00	9,350.00
3	Miller Ins. Agency	300.00	300.00
1	Nettleton Fox Hunting and Fishing Club	10.00	80.00
20	Reed Bros. Inc	2,000.00	2,000.00
8	Savery's Ins. Agency	800.00	50.00
497½	Tupelo Cotton Mills Common	49,750.00	13,055.00
261	Tupelo Cotton Mills New Preferred	5,220.00	
2	S. B. H. Do Preferred	200.00	1,770.00
74	Tupelo Garment Co	74.00	74.00
	Total held by bank		$37,468.60
	Transferred to reopened bank		7,500.00
	Equity in stocks held by reopened bank		$29,968.60

[fol. 322]

Furniture and Fixtures of Re-opened Bank in Which There Is Equity in Pooled Assets

All furniture and fixtures of the Peoples Bank & Trust Company, Tupelo; Peoples Bank & Trust Company, Nettleton; Peoples Bank & Trust Company, Rienzi, carried at a total amount before reopening as	$20,000.00
Carried into reopened bank	5,000.00
Equity in furniture and fixtures carried in Pooled assets	$15,000.00

[fol. 323]

Real Estate—See Attached Schedule

Real estate Account—See Schedule No. 5 in pooled assets for detailed list	$372,623.86
After giving effect to capital structure in full	3,100.00
	$375,723.86
Less amount transferred to reopened bank	68,917.50
Equity in real estate carried in reopened bank	$306,806.36

[fol. 324]

Schedule #5

List of Real Estate Held by Re-opened Bank in Which There Is an Equity Due Pooled Assets

Tract No.	Name of property	Memo.	Amount
1	Same Moore (Jenkins) 10-3-21	45 acres west of Tupelo	$764.68
2	Clarkedale Cabins (12-27-21)	11 negro cabins	5,000.00
3	Piftman & Greer (7-14-23)	1087 acres of land in Claiborne County	5,000.00
4	W. X. Wilson (1-18-24)	400 acres land Pontotoc County	2,402.21
5	J. A. Simmons (4-9-1924), (Harkreader Place)	95 acres land west of Verona	4,294.45
6	J. E. Motlow (3-5-1925)	45 acres land west of Tupelo	400.00
7	A. C. Hamrick (12-31-1925)	10 acres north of Tupelo	1,250.00
8	Lot No. 1 Blk. D. (7-8-1929)	Jenkins Subdivision	75.00
9	Richardson Place (12-2-1926)	159 acres of land east of Shannon	15,460.00
10	J. T. Borden House (1-29-29)	Residence on north side Magazine St	6,000.00
11	A. C. Hambrick (2-7-27)	120 acres land in Madison County, Ala	8,596.69
12	C. D. Sheffield (12-31-38), Plunkett Place	80 acres land in Itawamba County	300.00
13	C. D. Sheffield (12-31-28), S. of C. D. S	69 acres land in Itawamba County	1,500.00
14	C. D. Sheffield (12-31-28), Summers Place	80 acres in Itawamba County	3,200.00
15	C. D. Sheffield (12-31-28), Files Place	321 acres land in Itawamba County	4,000.00
16	C. D. Sheffield (12-31-28), Bottom W. of Files Place	114 acres land in Itawamba County	4,600.00
17	W. A. Blair (2-14-29)	Piggly-Wiggly Store W. side S. Spring	12,000.00
18	Malone & Thomas (10-14-29)	3 negro double apartments	2,016.70
19	R. F. Manuel (12-20-29)	30 acres land in Monroe County	100.00
[fol. 325]			
20	S. P. Stone, Tenant Dwelling (4-24-30)	S. W. Corner of Gloster & Jackson Streets	$1,250.00
21	S. P. Stone (4-24-30)	2 lots on W. Jackson Street	750.00
22	S. P. Stone (4-24-30)	15 acres land on W. side N. Gloster St	1,100.00
23	S. P. Stone (4-24-1930)	200 acres land north of Mooreville	2,000.00
24	Frank Bryan (8-30-1930)	60 acres land near Nettleton, Lee County	3,000.00
25	Roy Smith (9-3-30)	36 acres of land in Prentiss County	300.00
26	J. Q. Robins, Jr. (11-30-30)	520 acres land near Shannon, First Mortgage to Federal Land Bank	15,811.30
27	H. E. Sheffield (12-16-1930)	83 acres land near Mantachie, Itawamba Co	3,500.00
28	C. D. Sheffield, Franks place (12-29-30)	205 acres land in Itawamba County	12,000.00
29	C. D. Sheffield Franks Place (12-29-30)	25 acres land in Itawamba County	500.00
30	C. D. Sheffield, Pearce Place (12-29-30)	587 acres land in Itawamba County, 1st Mtg. to F. L. Bk	11,491.83

31	Harrisburg Dairy Co. (1-29-31)	Dairy House and lot W. of Tupelo	2,500.00
32	W. H. Powell (2-7-31)	House and lot on N. side of Bankhead Highway	2,413.85
33	Mrs. A. B. High (6-6-31)	Home place on S. W. Cor. Madison and Jefferson Streets	35,001.00
34	Mrs. A. B. High	¼ interest in Allen & Robins Farm	18,038.13
35	J. L. Minor (6-10-31)	1668 acres land in Calhoun County and Lot in Calhoun City	14,156.28

[fol. 326]

36	H. B. Heard (8-31-31)	369½ acres land in Lee County, 1st Mtg. to F. L. Bank	$6,949.50
37	H. B. Heard (8-31-31)	52 acres land in Lee County, S. E. of Belden	2,500.00
38	Itawamba County Bank Bldg. (8-31-31)	Bank Bldg. in Fulton Itawamba Co.	8,155.94
39	Guarantee Mt. Co. (9-8-31)	Kizer Bldg. on W. side South Spring St., 1st Mtg. to Mrs. T. B. Featherstone	15,600.00
40	Guarantee Mortgage Co. (9-8-31)	Miss. Stores Bldg. on N. side of Main St., Mtg. to J. J. Paulk and Mrs. O. B. Rogers	5,000.00
41	Jno. F. Sanders (9-8-1931)	House and Lot on Royal Boulevard	1,546.34
42	Dairy Farms Co. (5-29-31)	640 acres land in Chickasaw Co.	11,500.00
43	Dairy Farms Co. Wilson Place (1-28-1931)	447.59 acres land in Lee County	16,050.00
44	J. I. Berryhill	House and 80 acres land in Lee Co.	600.00
45	Guarantee Mortgage Co. (11-18-1931)	A. S. Birmingham house in Okolona, Mississippi	2,163.33
46	Mrs. M. W. Kincannon (11-16-1931)	Bldg. occupied by Journal Review Pub. Co.	1,350.11
47	F. L. Kincannon (11-16-31)	Old Journal Bldg. on S. W. Cor. Spring and Magazine Streets	3,333.67
48	W. C. Carter (7-8-32)	147½ acres land S. W. of Verona, Lee Co., Miss.	300.00
49	J. I. Berryhill (S. D. Oaser Place), (12-19-1931)	40 acres land S. E. of Saltillo	50.00
50	D. W. Robins (12-23-21)	400 acres land in Lee Co.	4,000.00

[fol. 327]

51	Looney Butley	95 acres land in Prentiss Co.	160.00
52	R. Burr Moore (1-3-32), Boykin Place	House and Lot on Royal Blvd.	800.00
53	S. P. Stone (3-12-32)	Res Lots (6) on Madison St.	1,500.00
54	J. L. Carpenter (5-9-1932)	80 acres land in Itawamba County	200.00
55	E. J. (Jean) Ford (4-21-1932)	75 acres land west of Guntown	500.00
56	Gertrude Bumpass (5-25-1931)	Lots in Aberdeen, Miss., Monroe County	1.00
57	J. W. DeVall (6-1-1932)	80 acres land in Itawamba County	100.00
58	Jim Phelps Co. (7-23-1932)	Double negro tenement	725.95
59	Miss Ida Rowan (8-6-1932)	Dwelling and Lot on Jackson St.	1,000.00
60	C. C. McNeill (8-29-33)	476 acres land N. of Tupelo, 1st Mtg. to F. L. Bk.	2,100.00
61	R. C. Westmoreland (10-8-1932)	60 acres S. E. of Saltillo	200.00
62	Gilbert W. Clark (10-30-1932)	8 acres No. of Verona	750.00

Schedule #5

List of Real Estate Held by Re-opened Bank in Which There Is an Equity Due Pooled Assets—Continued

Tract No.	Name of property	Memo.	Amount
63	Rogers Real Estate (11-1-1932)	Merchants Compress Co. Lot	2,000.00
64	Rogers Real Estate	Store Bldg. on Main St.	15,000.00
65	Rogers Real Estate	Cotton Warehouse on Spring St.	27,000.00
66	Rogers Real Estate	Warehouse on Front St.	12,500.00
67	Rogers Real Estate	Store Bldg. at Amory Monroe County, Miss.	5,000.00
68	J. J. Rogers et al. (11-12-1932)	Perry & Baker Store Bldg.	6,648.32
69	J. J. Rogers & Son	6 lots in Memphis, Tenn.	500.00
[fol. 328]			
70	R. D. Dalton (11-18-32)	House and Lot Rienzi, Miss.	7.50
71	W. B. McNutt ¼ Int.	144 acres land in Union County, Miss., McNutt & Strain Land	500.00
72	L. A. Sloan (12-2-32)	160 acres land in Itawamba County, Miss.	160.00
73	A. L. Coggins (12-9-32)	Store Bldg. and Lots in Baldwyn, Miss.	750.00
74	J. H. Watts (12-17-1932)	40 acres land in Lee County, Miss.	150.00
75	H. Agnew (2-33-33)	House and Lot in Guntown, Miss.	300.00
76	H. Agnew (4-31-32)	32½ acres land in Lee County	300.00
77	Communities Development Co. (12-23-33)	5 lots in Highland Circle, Tupelo, Miss.	1,050.00
78	Annie Shearer	House and Lot in Starkville, Oktibbeha County, Mississippi	1,000.00
79	J. M. Livingston (2-25-1933)	Gin House and Fixtures and Machinery, Tupelo	3,000.00
80	Mrs. M. W. Kincannon (2-25-1933)	House and Lot on Church St., Tupelo, Miss.	3,010.00
81	J. M. Brown	Store Bldg. in Fulton Itawamba County, Miss.	750.00
82	L. A. Sloan (2-19-83)	60 acres land in Itawamba County, Miss.	100.00
83	P. E. Smith (4-15-33)	520 acres land in Lee County, 1st Mtg. to F. L. Bank	100.00
84	C. R. Davis (4-22-33)	House and Lot in Saltillo, Lee Co., Miss.	490.00
85	C. R. Davis (4-22-1933)	181 acres land in Lee County, 1st Mtg. to F. L. Bk.	10.00
86	Old Firt. Natl. Bk.	Store Bldg. on N. E. Cor. Main and Spring Sts.	12,500.00
[fol. 329]			$375,673.86
Less amount carried into Re-opened Bank			68,867.50
Equity in Real Estate carried in Re-opened Bank for Pooled Assets			$306,806.36

[fol. 330] Overdrafts

In answer to this, these overdrafts were created prior to the closing of Peoples Bank & Trust Company for liquidation. These overdrafts represent overdrafts on coupon accounts; for example, the first overdraft is an overdraft of Birmingham Consolidated School District for $241.64; this just means that the Birmingham Consolidated School District Interest Fund Account is overdrawn that amount on the books of Peoples Bank & Trust Company, in Liquidation; and was overdrawn that amount when the bank closed, which overdraft was on account of the fact that there were not sufficient funds to this account to pay matured coupons as they were presented.

[fol. 331] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 332] In Supreme Court of the United States

Statement of Points to be Relied Upon by Appellants and Designation of Parts of Record Necessary for the Consideration Thereof—Filed Dec. 19, 1934

Come now the said appellants, by attorney, and presents the following statement of points under Paragraph 9 of Rule 13 of this Court upon which they intend to rely in prosecuting the appeal in above styled cause together with those parts of the record they deem necessary for the consideration thereof, as follows:

I

That Chapter 251 of the Laws of the State of Mississippi 1932, as construed by the Supreme Court of the State of Mississippi rendered in said cause is obnoxious and repugnant to and in violation of paragraph 1 of Section 10 of the Constitution of the United States; in that, the construction placed upon said Chapter 251 of the Laws of the State of Mississippi 1932, the decree entered in said cause by the Chancery Court of Lee County, Mississippi and the judgment of the Supreme Court of the State of Mississippi affirming said decree impairs the obligation of the contracts

theretofore existing between appellants and Peoples Bank & Trust Company, Tupelo, Mississippi, a banking corpora- [fol. 333] tion organized and existing as such under and by virtue of the laws of the State of Mississippi.

The attention of the Court is directed to the following parts of the record which appellants deem necessary for the consideration of above question:

(a) Petition, and exhibits thereto filed in the Chancery Court of Lee County, Mississippi by appellees.

(b) Objections filed by appellants.

(c) Decree entered by the Chancery Court of Lee County, Mississippi in said cause.

(d) Assignments of error on appeal to Supreme Court of Mississippi.

(e) Judgment of the Supreme Court of State of Mississippi affirming same, including the majority and dissenting opinions of said Court.

(f) Chapter 251 of the Laws of the State of Mississippi 1932.

(g) Chapter 85 of the Code of the State of Mississippi 1930 and Chapter 82 of Hemmingway's Code of the State of Mississippi 1917, and especially Sections 2815 of Chapter 85 of the Code of State of Mississippi 1930, and Section 3619 of Hemmingway's Code of the State of Mississippi, 1917.

(h) Petition for appeal to this Court order granting appeal, citation, assignments of error and statement as to jurisdiction, on appeal to this Court.

II

That Chapter 251 of the Laws of the State of Mississippi 1932, the decree entered in said cause by the Chancery Court of Lee County, Mississippi and the judgment of the [fol. 334] Supreme Court of State of Mississippi affirming said decree deprives these appellants of their property without due process of law; and, denies these appellants the equal protection of the laws in violation of paragraph I of the Fourteenth Amendment to the Constitution of the United States.

The attention of the Court is directed to the following parts of the record which appellants deem necessary for the consideration of above question:

(a) Petition, and exhibits thereto filed in the Chancery Court of Lee County, Mississippi, by appellees.

(b) Publication of notice of hearing for service of process as shown by the record, including order of Chancery Court of Lee County, Mississippi, for such process; summons issued in cause as shown by the record.

(c) Objections filed by appellants.

(d) Decree of Chancery Court of Lee County, Mississippi, in said cause.

(e) Judgment of Supreme Court of the State of Mississippi affirming said decree.

(f) Assignment of errors on appeal to Supreme Court of Mississippi.

(g) Opinion of Supreme Court of State of Mississippi affirming decree, including dissenting opinion as reported in the case of Dunn, et al. vs. Love, et al. 155 So. 351.

(h) Chapter 251 of the Laws of State of Mississippi, 1932.

(i) Chapter 85 of the Code of the State of Mississippi, 1930.

(j) Chapter 82 of Hemmingway Code of Mississippi, 1917.

(k) Section 3815 of the Code of State of Mississippi, 1930.

(l) Section 3619 of Hemmingway's Code of the State of [fol. 335] Mississippi, 1917.

(m) Petition for appeal to this Court, including assignments of error, order granting appeal, citation and jurisdictional statement.

Respectfully submitted, E. C. Sharp, Geo. T. & Chas. S. Mitchell, by Chas. S. Mitchell, Attorneys for Appellants.

I, Chas. S. Mitchell, do hereby certify that I have this day handed in person to C. R. Bolton, one of the attorneys for appellees a true and correct copy of the above and foregoing statement of points upon which appellants will rely in prosecuting its appeal of above styled cause to the Supreme Court of the United States and that I have also mailed to Messrs. Creekmore & Creekmore, attorneys for appellees, Jackson, Mississippi, a true and correct copy of same and have also mailed postage prepaid to Messrs. Flowers, Brown and Hester, Jackson, Mississippi, attorneys

for appellees, a true and correct copy of the above and foregoing statement.

Witness my signature on this the 14th day of December, 1934.

Chas. S. Mitchell, Attorney for Appellants.

[fol. 336] [File endorsement omitted]

[fol. 337] IN SUPREME COURT OF THE UNITED STATES

DESIGNATION BY APPELLEE OF THE ADDITIONAL PARTS OF THE RECORD WHICH HE THINKS MATERIAL—Filed Dec. 24, 1934

Appellee submits, in compliance with Section 9 of Rule 13, Revised Rules of the Supreme Court of the United States, the following parts of the record in this cause, in addition to the parts designated by the appellants, and which he deems material to a proper consideration of this case, to-wit:

1. Petition of Depositors' Committee to re-open bank (Transcript, pp. 52-55, inclusive);

2. Decree of court directing the issuance of process and publication of notice. (Transcript, pp. 33-34, inclusive);

3. Proof of publication of notice to creditors and other parties in interest. (Transcript, pp. 35-36, inclusive);

4. Supplement to the petition for the re-opening of the bank (Transcript, pp. 294-337, inclusive, and pp. 95-101, inclusive). The foregoing constitutes the supplement to the petition filed in the lower court for the re-opening of the bank, but was disarranged by the Clerk of the Supreme Court of Mississippi in making the transcript, as is shown by the page record numbers in that court.

5. Appearance and Agreement (Transcript, pp. 102-103, inclusive);

6. Testimony of Witness V. S. Whiteside (Transcript pp. 117-145, inclusive), and pp. 155-165, inclusive. Testimony of Witness A. C. Powell (Transcript, pp. 165-169, inclusive);

[fols. 338-341] 7. Opinion of Chancery Court of Lee County (Transcript, p. 174).

The above portions of the record are deemed material to a proper consideration of the case, in addition to the parts thereof pointed out by appellants.

C. R. Bolton, Creekmore & Creekmore, Flowers, Brown & Hester, Attorneys for Appellee.

I do hereby certify that I have this day mailed to Hon. E. C. Sharp, Booneville, Mississippi, and to Messrs. George T. and Charles S. Mitchell, Tupelo, Mississippi, attorneys of record for appellants, a true and exact copy of the above and foregoing, being the additional parts of the record deemed by appellee to be material.

This December 21, 1934.

H. H. Creekmore, Attorney for Appellee.

[fol. 342] [File endorsement omitted.]

Endorsed on cover: File No. 39,213. Mississippi, Supreme Court. Term No. 585. Mrs. Oscar C. Doty, et al., Appellants, vs. J. S. Love, Superintendent of Banks of the State of Mississippi. Filed December 19, 1934. File No. 585, O. T., 1934.